



Annex I to the Letter of Announcement

REQUIRED SUPPORTING DOCUMENTS BEFORE AND DURING THE AUDIT

As referred to in our letter of announcement, the Common Audit Service for Horizon 2020 Framework Programme for Research and Innovation expenditure at the European Commission (CAS) has decided to carry out an audit on specific financial statements presented by your organisation.

The primary objective of an audit is to verify that the costs declared to the Commission services are in compliance with the Grant Agreement(s) and, more specifically, are in line with the eligibility requirements set out in Article 6 of the H2020 Grant Agreements. The Indicative Audit Program¹ detailing the checks to be performed is available on the Participant Portal H2020 Online Manual².

According to Article 22 of the H2020 Grant Agreements, it is the beneficiary's responsibility to make available all detailed information, records and documentation that may be requested with a view to verifying that the action is properly implemented and that the costs are charged in compliance with the grant agreement provisions. As such, beneficiaries are requested to ensure that all documentation requested is readily available in the appropriate format at the time of the audit. **Failure to do so may imply that the audit concludes with a limitation in the assurance of the audit team on the regularity of the management of the Grant Agreements.**

You are therefore requested to prepare copies of the relevant supporting documents listed below prior to the start of the audit field-work in your premises. As regards the specific budget categories, the request should be adapted to the particular categories used by you in line with the contractual requirements.

Documents marked in the column "**To be sent to the auditor prior to the mission on-the-spot**" should be sent in a digital format to the auditor before the field-work in order to enable the auditor to prepare the audit in the most efficient manner.

Documents marked in the column "**Readily available at the time of the audit**" should be ready at the beginning of the mission on-the-spot. **Copies are necessary only for the sample** to be communicated to you by electronic means after the receipt of the breakdown of costs cf. Annex III. **Please note that the auditor in charge reserves the right to request for the sample, prior the mission, scanned copies of supporting documents.**

¹ http://ec.europa.eu/research/participants/data/ref/h2020/other/gm/audit/h2020-iap_en.pdf

² http://ec.europa.eu/research/participants/docs/h2020-funding-guide/grants/grant-management/checks-audits-reviews-investigations_en.htm

The list below is indicative. Thank you for taking the time to complete this activity.

Supporting documentation	To be sent to the auditor prior to the mission on-the-spot	Readily available at the time of the audit
I. General Information about the Beneficiary		
1. Beneficiary's legal registration (such as trade register abstract).		Yes
2. Beneficiary's supporting evidences of the non-'deductible VAT' status.		Yes
3. Beneficiary's supporting evidences that it is a 'contracting authority' or 'contracting entity' (if applicable).		Yes
4. Organisation chart with list of key officers.		Yes
5. List of all other EU/EURATOM funding received and all grant agreements (both closed and in progress) signed with the Commission/Agency/Joint Undertaking in the past 5 years.		Yes
6. List of the other EU actions/projects running during the audited period.	Yes	
7. Certified accounts of the last three financial years together with the statutory auditors' report (if applicable).	Yes	
8. Beneficiary's usual accounting practices, usual cost accounting practices and usual remuneration practices (manuals, procedures, internal regulations, etc.).	Yes	
9. Beneficiary' procurement procedures.	Yes	
10. Beneficiary's internal procedures as regards valuation methods for stocks' consumption (LIFO, FIFO, etc.).	Yes	
11. Beneficiary's internal procedures for depreciation.	Yes	
12. Beneficiary's internal procedures as regards internal invoicing for shared resources.	Yes	
13. Beneficiary' formalized policy or internal guideline for reimbursement of travel expenses.	Yes	

	14. Accounting records for actions transactions, including reconciliation with general accounting (up to 6 months after recording the accounting documents in the Beneficiary's statutory books):		
	<ul style="list-style-type: none"> accounts fiches, journals, trial balances; 	Yes	
	<ul style="list-style-type: none"> general ledgers / analytical accounting books. 		Yes
	15. Beneficiary's guidelines/procedures for the financial / scientific management of Research grant agreements (if available).		Yes
	16. List of authorised signatures.		Yes
	17. Internal procedures to avoid conflict of interest.		Yes
	18. Procedure for maintaining digital or digitalised accounting records (if applicable) according to national legislation.		Yes
II. Receipt and distribution of EU/EURATOM financial contribution			
	19. Bank statements showing amount and date of advance and/or interim and/or final payments received (from Commission/Agency/JU or coordinator)		Yes
	20. <i>Only for coordinator:</i> Table or report on the distribution of the EU/EURATOM financial contribution.	See Annex III	
	21. <i>Only for coordinator:</i> Beneficiary's bank statement showing amount and date of advance and/or interim and/or final payments forwarded to other members of the consortium.		Yes
III. Supporting documents for personnel costs			
	22. Beneficiary's internal guidelines/procedures for time recording follow-up (if available).	Yes	
	23. Employment contracts or equivalent appointment acts for action personnel (permanent or temporary); direct contract with the beneficiary (for natural persons working under other than an employment contract); telework agreement; the secondment contracts; SME owner contract.	Yes (one example for each contract category)	Yes
	24. Collective labour agreements and job descriptions.		Yes

	25. Beneficiary's timesheets for personnel involved in the action or declaration for exclusive work for the actions.	Yes (one example for each)	Yes
	26. Breakdown of personnel costs claimed in the financial statements per reporting period, by individual, indicating the number of hours charged as well as the hourly rate, with reference to the financial/fiscal year used in computations. (*)	See Annex III	
	27. Payroll/Salary slips for all personnel involved in the action (all audited periods of action duration), in detail, structured as following: the basic remuneration, mandatory complements, variable complements, additional remuneration included in the computations, as the case arise.		Yes
	28. Proof of payment (bank statements) of personnel costs.		Yes
	29. Please provide all the necessary supporting elements to substantiate the claimed personnel costs (components of personnel costs taken into consideration in the unit costs for personnel, calculation method, justification of productive hours taken into consideration to calculate the unit costs for personnel, evidence that the applied methodology corresponds to your usual accounting and management practice. This list is non-exhaustive and may vary according to the applied methodology).		Yes
	30. The supporting documents that demonstrate the actual cost borne by the Third Party (e.g.: timesheets, payslips, accounting entries, etc.).		Yes
	31. The list of persons declared under personnel costs for 5 other actions/projects to be communicated to you at a later stage.		Yes
IV. Supporting documents for subcontracting			
	32. Signed original copies of the agreement (contract, framework contract) established between the beneficiary and the subcontractor prior to its contribution to the action.	Yes	
	33. Description of services provided by subcontractors in the context of the funded action. (*)	See Annex III	

	<p>34. Tendering documentation (for non-contracting authorities, only if required by the internal rules of procedures).</p> <p>In case no procurement procedure is in place, documents and justifications supporting the selection of subcontractors (price comparisons with open sources, comparative offers received, catalogue of prices, internal procedures followed in other occasions for EU and non-EU activities, etc.).</p>		Yes
	35. The underlying documentation (original invoices, debit notes, credit notes, etc.).		Yes
	36. Evidence of delivery of services provided.		Yes
	37. Proof of payment (bank statements) of subcontracting costs.		Yes
V. Financial support to third parties			
	38. A clear and exhaustive list of the types of activities that qualify for financial support for third parties (e.g. financial support for third parties allowed for technology-testing activities).	See Annex III	
	39. Proof of payment (bank statements) of the financial support.		Yes
VI. Supporting documents for equipment, infrastructure			
	40. Beneficiary's valuation rules for accounting treatment of equipment.	Yes	
	41. List of all acquisitions and retirements of equipment per period. (*)	See Annex III	
	42. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.		Yes
	43. Purchase orders and delivery notes for equipment.		Yes
	44. The underlying documentation (original invoices, debit notes, credit notes, transport documents, etc.) justifying the equipment purchased.		Yes
	45. Inventory register or fixed asset register/ledger for the equipment related to the action.		Yes
	46. Depreciation table showing the gross book value of the equipment, the additions and retirements, the depreciation rate and the depreciation charge per period.		Yes

	47. In case of rented equipment: rental contract, inventory list of rented equipment, and calculation of leasing and/or rental charges.		Yes
	48. Equipment's usage diary/register (for equipment used by different actions).		Yes
	49. Records, calculations and documentation (e.g. logbooks, laboratory registers, diaries, etc.) demonstrating that the actual use of the asset in the action was directly measured.		Yes
	<p>50. Proof that the costs charged to the action for rented or leased assets do not exceed by more than 25% the depreciation costs of:</p> <ul style="list-style-type: none"> • either a similar asset as it was priced at the time of the start of the rent of the lease; • or the same asset as it was priced within a period of 6 months before and 6 months after the start of the rent or the lease. 		Yes
	51. Justifications regarding the full acquisition costs' allocation on the action (nature of the action, context of use, etc.) for assets that are charged at full acquisition cost and not at depreciation cost.		Yes
	52. Calculation of declared during the audited period costs of clinical trials, energy efficiency measures or LRI (on the same or other EU-funded grants).		Yes
VII. Contributions in-kind			
	53. Copies of the underlying documents obtained from the third party concerning their costs incurred for the contributions in-kind.		Yes
VIII. Supporting documents for travel and subsistence			
	54. List and dates of events/trips/conferences by action personnel. (*)	See Annex III	
	55. Authorised travel request forms, if applicable		Yes
	<p>56. The underlying documentation (original invoices, debit notes, credit notes, minutes of meetings, attendance lists, facilities reservations, etc.) justifying the travel expenses.</p> <p>Proof of connection to the action and proof for the necessity of the action's implementation (mission orders, relevant internal documents, etc.).</p>		Yes
IX. Supporting documents for other goods and services			

	57. Break-down of goods and services by action. (*)	See Annex III	
	58. Contracts and agreements between the Beneficiary and its suppliers of other direct costs.		Yes
	59. Purchase orders and delivery notes for other goods and services .		Yes
	60. The underlying documentation (original invoices, debit notes, credit notes, transport documents, stock registers etc.) justifying the other goods and services.		Yes
	61. Inventory register/ledger (where applicable).		Yes
X. State aid			
	62. List of transactions concerning assets, goods and services made available by the State for free for the audited actions.		Yes
XI. Access costs for transnational or virtual access to research infrastructure			
	63. The calculation of the unit costs, actual costs or – under certain conditions – as a combination of the two used to declare access costs for the periods under audit in all cost categories.		Yes
XII. Information about the consortium			
	64. Signed consortium agreement.	Yes	

(*) **Note:** this breakdown should include the relevant accounting codes/reference numbers to allow for reconciliation between the financial statements sent to the Commission/Agency/JU and the beneficiary's financial records as extracted from the accounting system. Should the beneficiary identify an **eventual discrepancy between the amounts declared and supported, the breakdown to be provided should identify the elements motivating the difference.**