Making sure all expenditure has been charged to the correct CUFS task

In Framework Programme 7 the EC distinguishes between different types of activity, which receive different funding rates. The main category of activities is Research and Technical Development (RTD). However there are 3 other categories: Management activities (MGMT), Demonstration (DEMO) and Other/Dissemination activities (OTH).

In the project Annex 1/Description of Work (DOW) Cambridge is awarded a set budget for contribution to different work packages (sub-projects). Each work package is actually linked to one of the four activity types. The grant budget table also clearly shows the budget split between these different activity types. CUFS tasks are all linked to the type of activity (RTD/DEMO/Management/Other) and CUFS is pre-programmed with the different rates of reimbursement.

However, in practice many Departments only charge costs to RTD. This leads to queries form the EC, with the request to claim the costs under the correct category. It means that a claim needs to be updated and re-audited, with the double consequence of a delay in the submission of reports (and therefore in the payment for every consortium partner), and the payment from the Department of an extra audit fee for the issue of an updated audit certificate. Mis-charging costs can also reduce income to the Department (in fact by charging dissemination as RTD the cost is funded at only 75% instead of 100%). It is therefore very important to check that costs are coded correctly, ideally throughout the project as part of month end procedure, but certainly at the end of each reporting period, before the Research Office create the Form C financial statement (showing the cost for each type of activity on the base of CUFS reports).

As a reminder below is an explanation of the type of expenditure that can be charged under each task:

- **RTD - EC contribution 75%**: Research and technological development activities directly aimed at creating new knowledge, new technology, and products, including scientific (not management) coordination.
- **DEMO - EC contribution 50% (NB rare for UCAM to see)**: Demonstration activities designed to prove the viability of new technologies (e.g. testing of products such as prototypes).
- **MGMT - EC Contribution 100%**: Management budget is mainly held by the project Coordinator, for costs of coordinating/administering the project. However, other beneficiaries can incur management costs relating to the legal, ethical, financial and administrative management of the project. For example:
  - audit costs, preparation of financial statements
  - EC mid-term review meetings are deemed to be management activities
  
  NB management costs can never include what is commonly known as "scientific coordination", therefore project meetings focused on the research must always be charged under RTD.

- **OTH: EC Contribution: 100%**: Other activities are those not listed above, but each project must have identified costs for such activities in their Annex I, so check your project Annex I for information. For example:
  - Dissemination activities: website, presentation of the project during conferences or workshops, travel and accommodation costs related to the presentations, scientific publication fees.
  - External Networking activities: for example the organisation of a specific seminar/meeting in order to network with other projects in the same field; activities
aiming at communicating and exchanging information among individuals, groups, etc. outside the project. Project meetings not specifically aimed to networking cannot be charged under this activity

- **Coordination activities**: for example the organisation of a meeting or travel for coordination purposes with other projects in the same field. Scientific or management coordination of the project cannot be charged under this activity

- **Intellectual property activities**: for example the filing and prosecution of patent (and other IPR) applications, including patent searches and legal advice or the payment of royalties to a third party for intellectual property rights which are needed to implement the project

- **Studies** on the socio-economic impact (for example the assessment of the expected socioeconomic impact of the foreground or analysis of the factors that would influence their use)

- **Industrial advisory board members travel and accommodation costs**

Please make sure that costs have been appropriately charged under the correct tasks, as outlined in the Annex I/DOW, before confirming that the costs are charged correctly to the grant and the Form C can be prepared. Please discuss any issues with your Research Support Advisor.

*Note: in Horizon 2020 the different cost categories and funding rates were removed, therefore this issue only relates to FP7 projects.*