

SENSOTERIC

smart SENSOR analog front-end powered
by Emerging Reconfigurable devICes



Call: **HORIZON-CL4-2023-DIGITAL-EMERGING-01-11**

Grant Agreement no. **101135316**

Deliverable D8.1 Project Handbook

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Document Abstract

This document provides an overview of the management and administrative procedures and tools of the SENSOTERIC project in order to ensure an efficient project implementation as well as high-quality project results. The Project Handbook serves as a reference work for all consortium partners and a basis for **quality and risk management** for the project. It ensures that all SENSOTERIC partners are aware of necessary steps **to achieve the goals of the project during its different phases**.

The document provides relevant legal information and operational procedures summarized where possible and sensible. This simplifies orientation for those involved in the project and also enables newcomers (employees or partners) to get started straight away.

The Project Handbook is intended for the project officer, all project partners and internal project teams. **Please note that all information contained in this Project Handbook evolves and is regularly updated in table form (Project Management Tables).**

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1. Legal Basis

Contractual documents frame the implementation of the SENSOTERIC project and are complemented by additional sources of information (see also section 4.2). By officially joining SENSOTERIC, the project partners have entered into obligations that go beyond the mere implementation of the project content. This includes for example:

- Obligation to disseminate under certain rules (disclaimer, visibility of EU funding, prior notice to partners, open access to publications, open access to research data);
- Obligation to exploit under certain rules (property rights, EU access rights, joint ownership);
- Confidentiality;
- Liability;
- Data protection;
- Spending of funds in accordance with EU and internal regulations;
- Storage of supporting documents;
- Reporting.

For more information regarding rights and obligations of all project partners (see also section 3), the following legal sources are relevant:

1. *Grant Agreement incl. Amendments, Annotated Grant Agreement*

The Grant Agreement (GA) is the funding agreement concluded **between the European Commission and the beneficiaries**. It contains the **Description of Action**, but also important provisions for the implementation of the project such as criteria for the **eligibility of costs**, **reporting** and provisions for handling **intellectual property rights**.

The Grant Agreement **may be amended** if justified changes affect the implementation of the project, e.g.:

- Removal/Addition of a beneficiary;
- Change of the coordinator (with or without his/her agreement);
- Changes relating to "affiliated entities" and/or "associated partners";
- Premature termination or suspension of the project;
- Changes to options in the Grant Agreement;
- Substantial to Annex 1 (changes of action name/acronym/duration, significant changes of tasks etc.);
- Changes to Annex 2 requiring the approval of the European Commission/funding agency.

Budget transfers will only require an amendment if they also entail "substantial or important changes" to the project description. In the case of unplanned subcontracts and in-kind contributions by third parties the beneficiary can choose between an amendment or subsequent recognition at his/her own risk.

As a second-level document, the European Commission has issued **the Annotated Grant Agreement that provides explanations and examples** of all provision of the Grant Agreement. The recent version of the AGA may be downloaded from the Funding and Tender Opportunities Portal.

2. *Consortium Agreement*

The Consortium Agreement (CA) stipulates **rights and obligations amongst the consortium members**, e.g., regarding **governance structure** and **decision-making**, **obligations** of beneficiaries, **financial questions** and the handling of **intellectual property rights** within the consortium. It is a private agreement between

SENSOTERIC partners without involvement of the European Commission. It must not contradict the Grant Agreement (GA).

3. Institutional Guidelines and Regulations

Last but not least, internal rules and regulations of each partner regulate most of the **financial details** and are also subsidiary to the GA. Particular attention should be paid to:

- Travel expense policies;
- Purchasing rules or guidelines;
- Representation and hospitality guidelines etc.

As a general rule - with a few exceptions, the EC considers expenditures that meet normal internal/institutional requirements to be eligible.

2. Governance

SENSOTERIC has a straightforward and appropriate governance structure according to its project size and consortium constellation. Decision-making procedure are organised in an efficient manner to support an agile project management while securing a reliable framework.

1. Governance Structure

The research and innovation activities are organised in Work Packages steered by the individual Work Package Leaders and supervised by the General Assembly via the Project Coordinator. In the following, the roles of the different bodies and persons involved as well as the principles of our internal communication are outlined (see Figure 2-1).

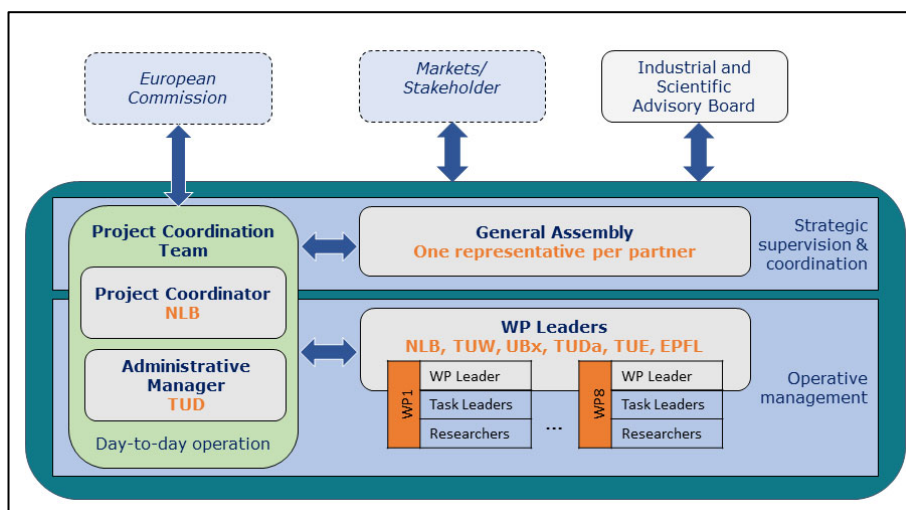


Figure 2-1: Project Management Structure of SENSOTERIC

PROJECT COORDINATION TEAM

The **Project Coordinator – Dr.-Ing. Jens Trommer** – is ultimately responsible for **overall project management** – keeping the high-level technical and scientific strategy in mind. The PROJECT COORDINATOR is the **single point of contact between the European Commission and the consortium**.

The PROJECT COORDINATOR is supported by an **Administrative Manager – Katharina Amsel** – who is responsible for all **administrative, financial and legal tasks** arising in connection with the project.

GENERAL ASSEMBLY

The General Assembly is **the ultimate decision-making body of the consortium**. It is responsible for the overall direction of the project and ensures that the project objectives are met. The General Assembly decides on general contents of the project work, changes to Grant Agreement Annex I 'Description of the Action', finances, intellectual property rights and the evolution of the consortium (e.g., entry or withdrawal of partners).

Annually, the General Assembly has an **on-site meeting at one of the partner institutions** (cf table 2-1). Additional **regular monthly web meetings** serve as a platform for discussions, knowledge transfer and decision making.

For decision making there is **one vote per partner** which executed by the its representative (see also section 2.2). **GA representatives are listed in the Project Management Table** (see also section 4.2).

WORK PACKAGE LEADER

The Work Package Leaders are no separate body, but by position responsible for the **technical monitoring, direction and progress of the project**. The main responsibilities of the WPL are the organisation of the technical work flow within SENSOTERIC, the supervision of the tasks outlined in the technical Description of Action (DoA) and coordination of actions at WPs interfaces. Furthermore, the WPL supervise the content of technical deliverables and assesses the technical quality with which the milestones are met; finally, they manage the risk register.

The WPL connect during **weekly web meetings** and for a **yearly on-site meeting** at one of the partner institutions (cf table 2-1).

INDUSTRIAL AND SCIENTIFIC ADVISORY BOARD

To receive **independent supervision**, and to leverage the **contacts and experience of primary actors in their field**, SENSOTERIC relies upon an Industrial and Scientific Advisory Board. The Advisory Board is managed by the PROJECT COORDINATOR and consulted by the General Assembly, and it represents a key feedback mechanism for the project success. The Advisory Board naturally also **serves as a dissemination channel** for project results.

The SAB is a long-term project supporter, although its composition can change over the course of the project. The first scientific advisors will be appointed by the General Assembly during the first months of the project; more can be added over the course of the project. Scientific experts work on a voluntary basis for the project and may receive indirect funding for travel etc. via the Coordinator's budget. Grant Agreement and Consortium Agreement do not apply to external experts. However, they are obliged to sign a **Non-Disclosure Agreement** as defined in the SENSOTERIC Consortium Agreement.

Table 2-1: SENSOTERIC Meeting schedule

Meeting type	Attendance by	Venue	Timing
Kick-off meeting	All project partners	Dresden	Project month 4
Project on-site meetings	All project partners, GA members	Different partner locations	Once a year
Monthly status telcos	GA members	Online	Once a month, 3rd Friday, 14:00
Weekly cluster meetings	Work Package Leaders	Online	Once a week, every Friday, 14:00
Advisory Board meeting	All partners AB members	Virtual and/or face-to-face	Min. 2 during project
Review meetings	Partners' representatives	Most likely online / in Brussels	M20 / M38 / M49 (tbc)

2. Decision-making

Mandatory decision rules and agreements are necessary for the success of the project. The decision-making process will follow the guideline to reach agreement as close as possible to the level of execution.

- At the **task level**, decisions will be taken through discussion with the relevant WP Leader, Task Leaders and participants contributing to that particular task.
- If a decision impacts other **WPs**, the issue will be discussed between all relevant WPL together with the PROJECT COORDINATOR, they will mediate among the involved partners and propose a consensual solution. If no consensus can be reached, the issue is discussed in the GA.
- The third level deals with **strategic decisions** that are taken by the GA. The decision-making process of the General Assembly follows the guidelines set out in the SENSOTERIC Consortium Agreement.

The SAB is advisory in nature and therefore, though it might be asked for its expertise in technical questions, it is never involved in decision making or conflict resolution.

PROVISIONS FOR DECISIONS OF THE GENERAL ASSEMBLY

The General Assembly shall not deliberate and decide validly in meetings unless **two-thirds (2/3)** of its members are present or represented (**quorum**). If the quorum is not reached, the chairperson of the General Assembly shall convene another ordinary meeting within 15 calendar days. If in this meeting the quorum is not reached once more, the chairperson shall convene an extraordinary meeting which shall be entitled to decide even if less than the quorum of members is present or represented. Each member present or represented in the meeting shall have one vote. A Defaulting Party may not vote. Associated Partners are excluded from certain decisions of the General Assembly outlined in the Consortium Agreement.

Decisions shall be taken by a majority of **two-thirds (2/3) of the votes cast**. A consortium member which can reasonably show that its own work, time for performance, costs, liabilities, intellectual property rights or other legitimate interests would be severely affected by a decision of the General Assembly may **exercise a veto** with respect to the corresponding decision or relevant part of the decision. A consortium member may veto such decisions during the meeting and within 15 calendar days after receipt of the draft minutes of the meeting.

For **decisions without a meeting**, the Coordinator circulates to all members of the General Assembly a suggested decision. A veto may be submitted within 15 calendar days after receipt of the written notice by the chairperson of the outcome of the vote.

3. Obligations

SENSOTERIC is aimed at generating new knowledge or expanding existing knowledge. Being a European collaborative project, certain obligations arise not only toward the European Commission as funding agency, but also towards the individual partners in the consortium. Provisions regarding exploitation and dissemination, protection, access rights to and transfer of project results are therefore an important basis for successful project implementation.

1. EC Visibility & disclaimer

The project partners must promote the action and its results, by providing targeted information to multiple audiences (including the media and the public). For any communication and dissemination activity and any infrastructure, equipment and major result funded by the grant the following information must be included:

- a) *Prominently displaying the EU emblem*



b) Funding Statement: “Funded by the European Union (Horizon Europe, SENSOTERIC, GA no. 101135316)”

The following link explains in more detail the specific requirements for using the EU emblem and funding statement: https://commission.europa.eu/system/files/2021-05/eu-emblem-rules_en.pdf

Furthermore, any dissemination of results must indicate that it reflects only the author's view and that the Commission is not responsible for any use that may be made of the information it contains:

“Funded by the European Union (Horizon Europe, SENSOTERIC, GA no. 101135316). Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Commission. Neither the European Union nor the granting authority can be held responsible for them.”

2. Open Access to Publications

Each beneficiary must ensure **open access (free of charge online access for any user) to all peer-reviewed scientific journal publications** relating to its results. In particular, they must ensure that:

- at the latest at the time of publication, a machine-readable electronic copy of the published version or the final peer-reviewed manuscript accepted for publication, is deposited **in a trusted repository** for scientific publications;
- **immediate open access** is provided to the deposited publication via the repository, under the latest available version of the Creative Commons Attribution International Public License (**CC BY**) or a license with equivalent rights; for monographs and other long-text formats, the license may exclude commercial uses and derivative works (e.g. CC BY-NC, CC BY-ND) and
- information is given via the repository about any research output or any other **tools and instruments needed to validate the conclusions** of the scientific publication.

Metadata of deposited publications must be open under a Creative Common Public Domain Dedication (**CC0**) or equivalent, in line with the **FAIR principles** (in particular machine-actionable) and provide information at least about the following:

- publication (author(s), title, date of publication, publication venue);
- Horizon Europe funding; grant project name, acronym and number;
- licensing terms; persistent identifiers for the publication,
- the authors involved in the action and,
- if possible, for their organisations and the grant.

Where applicable, the metadata must include persistent identifiers for any research output or any other tools and instruments needed to validate the conclusions of the publication.

In Horizon Europe an **embargo period** on Open Access is **no longer accepted**.

OPEN ACCESS PROCESS

Step 1: Submit a paper to a journal of your choice. There is no restriction to Open Access journals because there are different options to adhere to the OA obligation:

- Publication in a full OA journal that charges Article Processing Charges (APC). The APC can be claimed on the project.
- Publication in a full OA journal that does not charge APC. PROJECT COORDINATOR (List of peer reviewed Open Access Journals can be found under Directory of Open Access journals, DOAJ - <https://doaj.org/>)
- Publication in Open Research Europe (ORE - <https://open-research-europe.ec.europa.eu>), the open access publishing platform provided by the European Commission, for free.
- OA publication in a hybrid journal, but the PROJECT COORDINATOR are not eligible to the project.
- Publication in a closed journal and retaining the right to immediately deposit the accepted author manuscript.

Step 2: Deposit the post print or final peer reviewed author manuscript or publisher's PDF of the open access publication in a trusted repository as soon as possible and at the latest on publication. Check the publisher's open access policy on the webpage of Sherpa/Romeo (<https://www.sherpa.ac.uk/romeo/>) to determine which version of the publication you can upload.

You can immediately open a publication if the following condition is met:

- The author has transferred the copyright to the **publisher who allows immediate open access** to an accepted version uploaded in a repository.
- **The author retains the copyright** to the published article and can offer the publication themselves in Open Access. Sherpa/Romeo can be accessed to check copyright and open access (self-archiving) publisher policies.

3. Open Access to Research Data

Publication-related digital data generated during the action (the data needed to validate the results presented in scientific publications) is planned to be deposited in a research data repository and made available free of charge. This does not apply for digital data that allows to infer confidential information of any partner or related entity, especially Source Code or Process Design Kits. The project specific data policies will be stipulated in the Data Management Plan (Deliverable D8.2).

4. Prior Notice of Publications

During the project and up to one year after project end, prior notice of any planned publication must be given to the other project partners **at least 15 calendar days before the publication**. Any objection to the planned publication shall be made within 14 calendar days. This is only permitted if a project partner's legitimate interests are harmed.

Planned publications shall be indicated by the following email to be sent to the global SENOSTERIC mailing list for general issues that are of interest to all project members. An example guideline for such an e-mail is given below:

Subject: *[SENSOTERIC]- Intended Publication*

Dear All,

referring to section 8.4.2.1 of our Consortium Agreement, please let me notify about the intended publication below. In case intervention is needed, the intervening SENSOTERIC partner indicates his objections to the main author and in copy to the Coordinator as soon as possible.

We intend to submit a paper to [Journal / Conference]. The deadline for paper submission is [Deadline – if applicable].

Title: *[Envisaged title]*

Authors: *[Envisaged authors]*

Abstract: *[Abstract]*

In principle, regardless of the above procedure: **Results, background or confidential information of another partner may not be used/published without his/her consent**. Visibility requirements described above should be respected.

5. Confidentiality

The obligation of confidentiality for any **marked** confidential information applies for **up to 5 years** after the final payment of the Granting Authority.

For **oral information** to be considered confidential, relevant information must be **identified as confidential at the time of disclosure** and has been **confirmed and designated in writing within 15 calendar days** from

oral disclosure at the latest as confidential information. Confidential information may only be used for the purpose for which it has been disclosed.

Without the consent of the other partner, its confidential information must:

- Not be used otherwise than for the purpose for which it was disclosed;
- Not be disclosed without the prior written consent by the Disclosing Party;
- Be internally distributed on a strict need-to-know basis; and
- Be returned to the Disclosing Party, or destroyed, on request.

Notwithstanding the foregoing, the recipient shall be free to disclose the confidential information to any of its personnel and its Entities Under the Same Control' personnel on a strict need-to-know basis and subject to the obligation of non-disclosure set out above. Each partner must ensure that persons who must have access to confidential information are bound to confidentiality.

6. Ownership & Access Rights

In general, results are owned by the Party that generates them. Access rights refer to the right to use:

- Background: "data, know-how or information (...) that is needed to implement the action or exploit the results". This includes knowledge and property rights, which had been acquired by one partner before acceding to the consortium agreement.
- Results: knowledge and other output generated by the project.

Project partners identified and agreed on the *Background needed* for the project according to the Description of Action. Further *Background* may be added during the Project. All requests for access rights shall be made **in writing**.

Access rights shall be free of any administrative transfer costs and are granted on a non-exclusive basis.

Charges for access rights depend on the **intended use**:

- performance of the own work of a party under the project: royalty-free (unless otherwise agreed)
- exploitation of a partner's own results: fair and reasonable conditions
- non-commercial internal research and teaching activities: royalty-free

EU ACCESS RIGHTS

Upon request, **for an unlimited period of time**, the beneficiaries must give access to their Results on a royalty-free basis to EU institutions, bodies, offices or agencies, for developing, implementing or monitoring EU policies or programs as well as dissemination activities. Such access rights are limited to non-commercial and non-competitive use. These EU access rights should be considered for exploitation activities not only during the project lifetime but beyond.

JOINT OWNERSHIP

When generating jointly owned results, the **joint owners shall establish a Joint Ownership Agreement** including protection measures and the division of related costs for the jointly owned results.

In case of absence of a *Joint Ownership Agreement* the following CA rules apply:

- For non-commercial use and teaching activities, no prior consent of the other joint owner(s) is needed and you are entitled to use the results on a royalty-free basis;
- For any other use of jointly owned Results, in particular for granting sublicenses, the other joint owners need to be given 45 calendar days advance notice and fair and reasonable compensation.

7. Liability

Project partners are liable towards the other project partners **up to once of its own share of the total project costs** in case these partners receive damages, for example because of a breach of confidentiality. Liability is **unlimited** if a damage was caused by a **wilful act or gross negligence**.

4. Communication & Collaboration

Efficient communication among the project partners and teams is a key issue in all collaborative projects. The SENSOTERIC project has set up a number of tools that will be used throughout the project to coordinate and manage the development and research activities. These tools are meant for internal use only and all partners have been granted access.

1. Collaboration Tools

Day-to-day discussions and exchange of information will be done by use of common digital communication tools, among them are audio- and web conferencing, e-Mail, shared folders and others. The following communication tools have been set up for SENSOTERIC:

MAILING LISTS

To manage effectively all email exchanges, the mailing lists have been set up and are kept up-to-date:

- Global mailing list for general issues that are of interest to all project members
- Mailing list for all Principle Investigators (GA members)

DOCUMENT REPOSITORY

For project-internal information and document exchange the **cloud-based Content Management Platform DataShare** is used. Here all project relevant and supportive information and documents are stored and organized in an easily accessible manner via <https://datashare.tu-dresden.de/s/LSyNTGFyMgPHyGk>. Access can be requested **via the Administrative Manager**.

The repository provides access to information and documents such as

- | | |
|--|--|
| • Project Management Tables | • Contractual documents (Grant Agreement and Amendments, Consortium Agreement) |
| • Deliverables | • Administrative guidelines and documents (payments, reporting) |
| • Meetings (including their organisation, meeting minutes) | • Contact list |
| • Corporate Design guidelines (templates, logos) | |

MEETINGS

SENSOTERIC project meetings do not only provide a valuable opportunity for exchange, but are in fact the most important project steering tool.

On the **operational level**, work package leader, deliverable responsible, project management team and any other interested individuals meet for **weekly online status meetings** (cf table 2.1), where each deliverable leader has to present a short update of the deliverable and discuss unresolved issues, if necessary. For these calls and any kind of remote meetings Zoom is used. It allows video and telephone conferences and offers live sharing of documents and desktop sessions.

On the **strategic level**, General Assembly members meet for **monthly online calls** (cf table 2.1). In addition, all project partners – including members of the General Assembly - **meet annually at different partner locations** (cf table 2.1). During these meetings, the project's research and innovation progress and achievements will be evaluated, risks (re)assessed as well as recommendations provided to possible deviations. The Administrative Manager will present updates regarding legal, financial, administrative or reporting-related issues (including overall budget status report).

Emergency face-to-face meetings in case of unforeseen circumstances may be scheduled if the timeframe and availability of participants allows it. Otherwise, these shall take place in the form of teleconferences to allow for a quick decision-making process.

Review meetings will be scheduled **by the European Commission** in connection with EU reports. Here the results of the previous reporting period are presented to the project officer and three reviewers and evaluated by them. These meetings typically take place either online or in Brussels. As a rule, the Project Management Team invites work package leaders and other relevant contributors to an online rehearsal in advance.

2. Sources of information

In addition to the static contractual documents, the Horizon Europe programme and the SENSOTERIC Coordination Team provide additional sources of information. The following tools summarize the information from various sources and allow for dynamic adaptation:

EU PORTAL (FUNDING & TENDER OPPORTUNITIES PORTAL)

The Funding & Tenders Portal (<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home>) is the most important source of information for project data & documents – including legal, financial and reporting data:

- beneficiaries
- reporting periods,
- project duration,
- budget,
- work packages & tasks,
- deliverables & milestones,
- reviews,
- risks monitoring,
- researchers involved in the project,
- publications,
- results,
- dissemination activities,
- communication activities,
- standards,
- IPR,
- datasets,
- impact
- etc.



Essentially, it is an information portal with an integrated electronic data exchange & communication system used both - by the European Commission (or its Project Officers) and the beneficiaries. It guarantees that both sides have the same level and up-to-datedness of information. All official EU reports (see also section 5.1) will be submitted via the EU Portal.

Figure 4-1: Screenshot of SENSOTERIC data in the Funding & Tenders Portal

PROJECT HANDBOOK

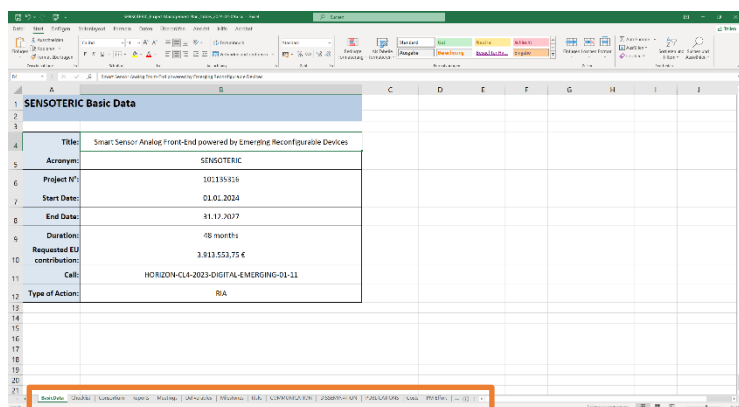
This Project Handbook provides an **overview of the management and administrative procedures** and tools of the SENSOTERIC project in order to ensure an efficient project implementation as well as high-quality project results. It serves as a reference for all beneficiaries and may be used as introduction for new participants.

PROJECT MANAGEMENT TABLES

Like the Project Handbook, the Project Management Tables file is a **single point of information** combining information from GA, CA and periodic and continuous project reports. Therefore, it exceeds the information scope of the EU Portal while – designed in excel format – also being editable, sortable and adaptable to project/consortium requirements. The Project Management Tables are stored in the SENSOTERIC document repository, and thus constantly available and up-to-date.

They contain the following information categories (per sheet; list subject to adjustment):

- Basic data
- Gantt Chart
- List of researchers involved
- Meeting schedule
- List of deliverables
- List of milestones
- Work Plan
- List of risks
- Budget
- PM effort
- Publications
- List of dissemination & communication activities



SENSOTERIC Basic Data	
Title:	Smart Sensor Analog Front-End powered by Emerging Reconfigurable Devices
Acronym:	SENSOTERIC
Project N°:	101181616
Start Date:	01.01.2024
End Date:	31.12.2027
Duration:	48 months
Requested EU contribution:	3.813.553,75 €
Call:	HORIZON-CL4-2023-DIGITAL-EMERGING-01-11
Type of Action:	RIA

Figure 4-2: Project Management Tables of SENSOTERIC

5. Cost/Budget Management

In general, correct project accounting and budget monitoring is the **individual responsibility of each partner**. This means that costs, which are not accepted by the EU must be covered by the affected partners themselves. Furthermore, **funding per project must not exceed the maximum grant amount specified in the GA** – therefore the partner budget can only be adjusted in cooperation with other partners (and with their – and the European Commission's – consent).

If the requested EU contribution to costs of a beneficiary (incl. the 25% flat-rate for indirect costs) **reaches or exceeds** a specific value (**430,000 EUR**) a **Certificate on the Financial Statements (CFS)** issued by a qualified auditor must be submitted together with the final report. Regardless of the audit obligation, all partners must keep records (exception: **indirect costs** are reimbursed at a **flat rate** - no documentary evidence is necessary).

Since the correct expenditure of funds in terms of time and content is an important basis for project implementation, the PMT supports this through advice and monitoring.

1. Eligibility of costs

Reporting of costs in SENSOTERIC is subject to special eligibility rules. The **GA contains detailed provisions** about the eligibility of costs in Horizon Europe. It specifies the criteria for all eligible costs and defines special

requirements for the individual cost categories. It is advisable to familiarise yourself with these rules at an early stage in order to avoid errors and mistakes when reporting.

For reporting, costs must be broken down according to the following **standard budget categories**:

- **Personnel costs;**
- **Subcontracting;**
- **Purchase costs:** travel costs, equipment, other goods, works and services;
- **Other direct costs:** internally invoiced goods and services etc.;
- **Indirect costs.**

All actual costs must:

1. **be actually incurred by the beneficiary** (no estimated/imputed/budgeted costs),
2. **be incurred in the project period** (exception: costs of final report submitted within 60 days of the end of the project),
3. **be included in the budget** (indicated in the estimated budget of the Grant Agreement; for more information see budget transfers),
4. be incurred in **connection with the action** and **necessary for its implementation** (according to the Description of the Action of the Grant Agreement),
5. **be identifiable and verifiable** and recorded in the beneficiary's accounts in accordance with the applicable accounting standards and **usual cost accounting practices**,
6. comply with the applicable national laws on taxes, labour and social security, and
7. **be reasonable and justified** and comply with the principle of sound financial management (in particular regarding **economy and efficiency**).

Among others, the following costs are not eligible:

- **interest owed;**
- **currency exchange losses;**
- **bank charges for transfers from the EU Commission;**
- **deductible VAT** (Please note: Non-deductible VAT is eligible if the beneficiary is not entitled to deduct input tax.).

2. Budget Monitoring

Financial statements submitted by all partners as part of the EU Periodic Reports will allow the Administrative Manager to monitor actual costs and spent effort, but also detect and prevent possible financial errors. These figures will be included in the Project Management Tables. Whenever needed, the Project Coordinator may request additional interim reports – e.g., as basis for strategic decisions.

3. Payments

As in all EU collaborative projects, the EU grant is paid to the SENSOTERIC PROJECT COORDINATOR in several instalments: pre-financing, interim payment(s) and final payment. The Project Coordinator distributes them to the partners according to provisions of the Consortium Agreement and decision of the General Assembly without unjustified delay.

The **pre-financing** payment is designed to ensure a cash flow for implementing the project. The **interim payment(s)** and the **final payment reimburse the costs declared** in the relevant reporting period until the threshold of **85%** of the maximum EU grant is reached. 15 percent of the EU grant will only be disbursed after the end of the action and acceptance of the final report: 5% will be directly paid into the Mutual Insurance Mechanism for the duration of the project, while a further 10% represent the EU's retention.

Interim and **Final Payment** will be affected **within 90 days of receipt of the respective report** by the European Commission.

6. Glossary

CA: Consortium Agreement

CFS: Certificate on the Financial Statements

DoA: Description of the Action

EC: European Commission

GA: Grant Agreement

PM: Person Months

WP: Work Package