

COMPLETING THE FINANCIAL REPORTING DOCUMENTATION

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1. SCOPE

These instructions augment the iMERA-Plus JRP Final Reporting Guidelines regarding the completion of the following financial reporting documents:

- Organisation Resource and cost statements – Individual partner
- JRP Resource and cost statements – Summary workbook
- Organisation Resource and cost statements – Summary workbook
- Organisational Form C
- Organisation Audit Engagement Letter and Terms of Reference
- Organisation Audit Report
- Organisation Audit Letter of Representation

The technical reporting guidelines are included in the iMERA Plus JRP Final Reporting Guidelines.

2. EXCHANGE RATE ISSUES

The final reporting cycles for the individual JRPs do not align with the final reporting for iMERA-Plus at a programme level.

For iMERA-Plus financial reporting those organisations that are not in the Euro zone the exchange rate that must be used is the European Central Bank (ECB) euro exchange rate for the first working day in June 2012. (The iMERA-Plus reporting period ends 31 May 2012).

However, in order to provide a good estimate of costs to the JRP-Coordinator to include within the JRP periodic report (JRP period ends at the time the JRP ends) the exchange rate of 1 March 2011 should be used. These rates are included in the financial templates.

The EMRP-MSU will adjust the exchange rate on the Resource and Cost (R&C) summary workbook soon after 1 June 2012 in order to calculate the final value in Euro to be entered into the Form C. The final R&C statement will be agreed by the organisation prior to generation of the Form C. The updated R&C statements and summary workbooks will be sent to the JRP-Coordinators and organisations.

The ECB rates are available at the ECB website

<http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>

Those organisations not working in Euros are required to submit an additional, intermediate, audit report to confirm costs in local currency for the final period. For these intermediate reports the Form C of the final period, which is not yet available, will be replaced by a temporary "Statement of cost in local currency".

After 1 June 2012 the final Form C will be produced and at that time a final version of the audit report will be required.

3. ELIGIBLE COSTS INCURRED AFTER THE JRP END DATE

In general costs must be incurred on or after the JRP start date and on or before the JRP end in order to be eligible. However, under the following circumstances costs may be claimed even though they will be incurred after the end of the JRP.

3.1 JRP-COORDINATOR TIME COSTS FOR PREPARATION OF THE FINAL REPORT

The Coordinating Organisation may include in the cost statement some hours, and associated labour and overhead costs, incurred in preparation of the final report by the JRP-Coordinator or other appropriate staff of the Coordinating Organisation, up to 45 days after the end of the JRP.

All other partners may only claim hours booked up until the end date of the JRP.

The JRP-Coordinator may not claim costs in any other cost category other than labour, for the reporting activities beyond the end of the JRP.

3.2 FINAL AUDIT COSTS

In the event that the cost is not known in advance, an organisation wishing to claim the audit cost should enter a good estimate in the appropriate cost category (normally this is subcontract). For an organisation participating in more than one JRP the cost to be entered in an individual JRP claim is the estimated audit value divided by the number of JRPs in which the organisation is a JRP partner.

Once the actual audit fee is known a correction should be made (if possible to just one project) to reconcile the total cost claimed for the final audit.

4. JRP RESOURCE AND COST STATEMENT SUMMARY WORKBOOK

4.1 DATA ENTRY

The JRP-Coordinator should incorporate the data from the individual JRP R&C worksheets (section 5.4) into the collated JRP R&C workbook.

If extra lines were inserted in a worksheet submitted from a JRP partner then ideally extra lines should be inserted into the appropriate sheet in the workbook prior to copying the data (failure to do so will lead to unusual formatting, however the data will still be valid and will feed into the summary sheets)

Please 'copy and paste' the data – do not retype the data as this can cause typographical and rounding errors. The easiest method is to copy and paste value (using paste-special and choosing value only) a whole sheet at a time. Ideally always hide unused lines rather than deleting. (Deleting lines now could give rise to complications later on).

The workbook automatically transfers the data to the 'Summary' sheet.

JRP

Select the JRP from the drop down list in the summary sheet.

VERSION AND DATE

The first JRP R&C summary issued should be V1.0 (any versions prior to this are draft versions). Include the date that the version was issued. Any amended versions issued should be V1.1, 1.2 etc and the date of the reissue should be included.

VERSION COMMENT

For versions later than V1.0 a short comment should be included to summarise the changes between versions, clearly indicating if the costs have changed. If more than one revision is issued the comment should be cumulative.

e.g., v.1.2 CMI T&S details amended with no change to the cost: v1.1 SP resource data amended with an increase in hours and costs.

4.2 DELIVERY OF WORKBOOK

To: EMRP-MSU (emrp@npl.co.uk)

When: 60 days after the end of the project

Format: Excel file

How: Email

In addition the JRP-Coordinator should include the table from the JRP R&C Summary in the JRP Progress Report.

5. ORGANISATION RESOURCE AND COST STATEMENTS

Each funded organisation should complete one R&C statement (a separate Excel file) per JRP. These are required by the JRP-Coordinators.

In addition an organisational Resource and Cost (R&C) statement workbook covering all JRPs in which the organisation is a JRP partner should be completed after all their JRPs have finished. This workbook

should contain one sheet per JRP and one summary sheet and is required by the EMRP-MSU. Please note that this workbook is required even when the organisation is only involved in one JRP.

All eligible costs recorded against a JRP in the organisation's accounts should be reported in the R&C statement regardless of whether the costs over the lifetime of the JRP are greater or less than the budgeted costs in the JRP Costing Spreadsheet (Annex Ib).

5.1 ORGANISATION RESOURCE AND COST STATEMENTS – SUMMARY WORKBOOK

The templates are designed such that the data is entered directly into the workbook and then copied into the several individual sheets for emailing to the relevant JRP-Coordinators. (Before copying data to a template the sheet will need to be unprotected).

Data should only be entered in the yellow cells.

The spreadsheets are protected (no password), however extra lines may be inserted in the individual cost category tables if required. To remove the protection select 'Tools-Protection-Unprotect sheet'. Please re-protect the sheet once the lines have been added. If extra lines are inserted in a worksheet then ideally extra lines should be inserted into any template that the data is copied into (failure to do so will lead to unusual formatting, however the data will still be valid and will feed into the summary sheets)

Before entering any other data into the workbook first select the organisation from the dropdown list on the summary sheet.

For those organisations not in the Euro zone the intermediate exchange rate for 1 March 2011 should be used (and is incorporated in the R&C statement templates). The EMRP-MSU will update the exchange rate in the R&C workbooks after 1 June 2012 when the correct rate becomes available.

For each JRP data is entered in a separate worksheet under the following headings:

JRP

Select the JRP from the dropdown list

ORGANISATION

Select the organisation from the dropdown list (if data is being entered into the collated workbook the organisation selection is on the summary sheet)

VERSION AND DATE

The first R&C statement issued should be V1.0 (any versions prior to this are draft versions). The date that the version is issued should be given. Any amended versions issued should be V1.1, 1.2 etc and the date of the reissue should be given.

VERSION COMMENT

Only applicable to versions later than 1.0

A short comment should be given to summarise the changes made between versions, clearly indicating if the costs have changed. If more than one revision is issued the comment should be cumulative.

e.g., v.1.2 T&S details amended with no change to the cost: v1.1 resource data amended with an increase in hours and costs.

LABOUR

Please note that although the hours worked by each person should be recorded in the spreadsheet, only the total labour cost is required (and not the labour cost per individual – where the cells have been greyed out).

The name of each member of staff working on the JRP for whom labour costs will be charged must be included in the 'Labour' table, and the hours worked by each member of staff must be declared. The total labour costs for the hours worked on the project (excluding overheads) should be entered in the yellow cell I32 in the labour table (please note if extra lines are added then the labour total will need to be entered in a different cell in column I.) Under 'Category of staff' add a description, eg senior researcher, Unit head, PhD student, etc.

Note that the 'Labour' table includes a conversion from actual recorded hours to months. This is an estimation based on 7.5 hours per day and 21.75 days per month and is provided so that an approximate cross check can be undertaken against the budgeted number of months in Annex Ia and where

necessary across JRPs and organisations. It is an estimate only and it is accepted that for many organisations the actual number of months will vary slightly from this figure. This calculation does not affect the actual costs claimed, so please do not adjust the formula. If the calculated figure of months differs significantly from an organisation's calculation then the JRP partner should provide the JRP-Coordinator with an explanation by email.

TRAVEL AND SUBSISTENCE

If more than one person attends a meeting then each person must be listed (they can all be listed on the same line), but the total costs for all the people attending that meeting may be added together and a single total given for the meeting. Ideally all the travel and subsistence for a person for a single meeting should be grouped together.

If travel costs are included within your organisation's overhead, then the 'Travel and subsistence' table should always be completed with either the details of the travel for each meeting or 'no T&S incurred' as appropriate with zero cost entered in the appropriate cell.

ALL OTHER COST CATEGORIES

Under all the other direct cost category headings the costs claimed should be listed (note iMERA-Plus management fees are not eligible costs, conference fees are 'other costs' and financial auditing is normally 'subcontracting'). Where there are only a few unique items a description per item should be given. Where there are many similar items or items that could be grouped, these items should be summarised into one or more lines.

The description should not simply repeat the category heading. ie under 'consumables' the description should be more detailed than 'consumables'. Examples of acceptable descriptions for consumables are electrical components, reagent chemicals, high purity gases, thermal insulation materials, radionuclide samples etc). Significant costs however require a more detailed description.

OVERHEADS

Under 'Overhead methodology' select the overhead methodology stated for your organisation on the JRP Costing Spreadsheet (Annex Ib) from the dropdown list.

Enter the overhead % for the labour and non-labour costs. If the overhead % has changed during the year please work out the total costs for the labour and non-labour overhead based on the combination of costs and overhead %s for the reporting period. Calculate the overhead %s that should be entered in order to give the correct costs.

If it is the normal practice of the organisation to calculate the overheads as an absolute value rather than a % please calculate and enter the appropriate % that should be applied to labour costs in order to give the required absolute costs.

WORKPACKAGE DETAILS

In the table 'Breakdown of effort by workpackage' please provide an estimate of the % of time spent on each WP during the period (note the total % effort should add up to 100%!).

5.2 PREPARATION OF THE INDIVIDUAL R&C STATEMENT (ONE FILE PER JRP)

The easiest method is to copy and paste value (using paste-special and choosing value only) the whole sheet from the workbook into the individual JRP R&C template.

Alternatively the data may be entered into the individual template.

5.3 COMPLETION OF THE ORGANISATION RESOURCE AND COST STATEMENTS – SUMMARY WORKBOOK)

The summary page should be completed once the costs in the local currency are available for all JRPs in which the organisation is a JRP partner.

VERSION AND DATE

The first R&C summary issued should be V1.0 (any versions prior to this are draft versions). Include the date that the version was issued. Any amended versions issued should be V1.1, 1.2 etc. and the date of the reissue should be given. (For all those not working in Euro a revised version will be required after

1 June 2012 – unless the 1 March 2011 exchange rate is identical to the European Central Bank (ECB) euro exchange rate for 1 June 2012).

VERSION COMMENT

For versions later than V1.0 a short comment should be included to summarise the changes between versions, clearly indicating if the costs have changed. If more than one revision is issued the comment should be cumulative.

e.g, v.1.2 T2.J02 T&S details amended with no change to the cost: v1.1 T1.J1.1 resource data amended with an increase in hours and costs..

AUTHORISED SIGNATORY OF FORM C

Enter the name of the person authorised to sign the Form C. Please note that if this person is not available to sign at the time the Form C is sent for signature then the Commission will accept a signature from an alternative authorised person, if this is an acceptable practice within your organisation.

NAME OF AUDITOR

Enter the name of the audit company.

COST OF AUDIT (EITHER ESTIMATE OR FINAL)

Where the last audit provided was for governance only and not EC triggered then the audit costs of interest are those covering the audit of all periods (i.e. the latest audit cost plus the previous on).

5.4 DELIVERY OF R&C STATEMENTS

INDIVIDUAL R&C STATEMENT

To: Individual JRP-Coordinators

When: as soon as possible – within 30 days* of the JRP end date

Format: Excel file

How: Email

Please note that the sooner this information can be provided to the JRP-Coordinators the sooner they can undertake their analysis, ask for any clarification and write their reports.

* Note, if the Coordinating Organisation is claiming labour costs for drafting the final report after the end of the JRP it will be necessary to provide a draft R&C statement at 30 days and then to provide an updated version later, however the timing should be such that the overall schedule for delivery of the JRP reports is still met.

ORGANISATION R&C SUMMARY WORKBOOK

To: EMRP-MSU (emrp@npl.co.uk)

When: Within 30* days of completion of the last JRP in which the organisation is a JRP partner (i.e. once all individual R&C statements have been sent to the JRP-Coordinators)

Format: Excel file

How: Email (with the organisation short name stated at the start of the subject of the email e.g. subject: BEV/PTP iMERA Plus R&C summary work book.)

Please ensure that any updates/corrections are emailed to both the JRP-Coordinator (individual R&C statement) and the EMRP-MSU (Organisation R&C summary workbook).

* Note, if the organisation is the Coordinating Organisation for their last JRP and is claiming labour costs for drafting the final report after the end of the JRP it will be necessary to provide a draft organisation R&C summary workbook at 30 days and then to provide an updated version later, however the timing should be such that the overall schedule for delivery of the JRP reports and other organisational reports is still met.

6. STATEMENT OF COST IN LOCAL CURRENCY (ONLY APPLICABLE FOR THOSE ORGANISATIONS NOT WORKING IN EURO)

Where the organisation is not working in the Euro zone the final Form C cannot be produced until after the exchange rate to be used for the final reporting period is published on 1 June 2012. In such cases the EMRP-MSU require organisations to provide a temporary "Statement of cost in local currency", which is included as part of the R&C statement templates and will act as an intermediate Form C.

After 1 June 2012 the final Form C will be produced and sent to the organisation for signature.

7. ORGANISATIONAL FORM C

7.1 DATA ENTRY

It is the responsibility of the EMRP-MSU to enter the relevant information into the Commission's FORCE system in order to generate an individual organisational Form C. This Form C will be sent to the organisation as a PDF, to be printed, signed and returned.

If this person named on the Form C as the authorised signatory (identified in the organisation R&C summary) is not available to sign then the Commission will accept a signature from an alternative authorised person, if this is an acceptable practice within your organisation.

7.2 DELIVERY OF FORM C

FORM C (UNSIGNED)

To: Organisation administrative contact

From: EMRP-MSU

When: For those organisations in the Euro zone – within 70 days of the end of the last JRP in which the organisation is a JRP partner

For those organisations not in the Euro zone - 5 June 2012

Format: pdf

How: Email

FORM C (SIGNED)

To: EMRP-MSU

When: At the same time as the audit report is sent

Format: Hard copy and scanned pdf (medium resolution)

How: First by email (pdf copy) with hard copy sent by Post/courier along with the audit report after confirmation from EMRP-MSU that the audit report is acceptable.

Organisations should provide the auditor with a copy of the signed Form C (scanned or photocopy) for inclusion in the auditors report.

8. AMENDMENTS TO PREVIOUS REPORTING PERIODS

In the event that the costs reported in a previous period need to be amended then a revised R&C summary workbook, for the appropriate period(s) should be delivered to the EMRP-MSU as soon as possible. An amendment Form C(s) will be issued and must be included in the audit report. Please note that when an amendment Form C is generated the reporting period will still show as the current iMERA-Plus reporting period (Nov 2010 – May 2012) because this is the period in which the amendment to costs was reported.

The amendment Form C will indicate that it is an amendment to a certain period (iMERA-Plus period) but the dates for the period will not be stated. For information these are:

IMERA-Plus REPORTING PERIOD	PERIOD COVERED
1	1 June 2007 to 31 March 2008
2	1 February 2008 to 31 October 2008
3	1 November 2008 to 31 October 2009
4	1 November 2009 to 31 October 2010
5	1 November 2010 to 31 May 2012

There will be no opportunity to provide an amendment Form C for the final reporting period.

9. ORGANISATION AUDIT REPORTING

9.1 INTERMEDIATE AUDIT REPORT (ONLY APPLICABLE FOR THOSE ORGANISATIONS NOT WORKING IN EURO)

Where the organisation is not working in the Euro zone the final audit report cannot be produced until after the exchange rate to be used for the final reporting period is published on 1 June 2012. In such cases the EMRP-MSU require the auditor to submit an additional, intermediate, report verifying the costs in the local currency for the final period (and in Euro for any earlier periods included within the audit report). For these intermediate reports the Form C of the final period, which is not yet available, will be replaced by a temporary "Statement of cost in local currency".

After 1 June 2012 the final Form C will be produced and at that time a final version of the audit report will be required.

9.2 LETTER OF ENGAGEMENT (INCLUDING THE TERMS OF REFERENCE)

The template includes a list of the minimum terms of reference required by the Commission. This should be agreed and signed both by the auditor and the organisations being audited and the original of the letter of engagement including the ToR is one of the required audit reporting documents.

AUDIT PERIOD

For those organisations which exceeded the 375k€ EC funding threshold in October 2010 the audit period is 1 November 2010 to 31 May 2012 (and covers 1 Form C plus any amendment Form Cs submitted this period).

For all other organisations the period to be audited is 1 February 2008 to 31 May 2012 (and covers all Form Cs plus any amendment Form Cs. Please note that although EURAMET have governance audits already covering costs up to October 2009 it is necessary that this final audit, which may also be required by the Commission, covers all periods in one single report. (Where the same auditor is engaged we envisage that their records of the audit performed last year will enable them to only need to verify the costs claimed since the last audit in order to complete their report).

9.3 LETTER OF REPRESENTATION

This is a statement to confirm that the organisation being audited is responsible for preparing and reporting the financial costs that are being audited. The letter is sent from the organisation to the auditor and a copy of this letter is one of the required audit reporting documents.

9.4 CERTIFICATE OF FINANCIAL STATEMENTS (AUDIT REPORTS)

The text of the iMERA-Plus audit report is specified by the Commission such that the auditor must either be able to verify the costs according to the rules presented - or not (and if not the organisation being audited will have to make any necessary amendments until verification is possible).

TEMPLATE AND GUIDANCE FOR AUDITORS

The auditor must complete the Certificate on the Financial Statement using the template provided. The separate guidance document 'Auditing of iMERA-Plus Joint Research Projects', which is downloadable from emrponline, should be sent to the auditor along with the templates in order to explain some of the unusual aspects of the iMERA-Plus audit requirements.

Please read those guidelines and be aware of the issues and ensure that the auditors report does comply with the guidelines.

In particular that the audit report

- Includes a copy of all the appropriate FORCE signed Form Cs (including any amendment Form Cs submitted)
- Refers to the appropriate start and end dates
- Ideally does not declare any exceptions.
- Does not list any qualifying statements in the tables but states 'not applicable'
- Is signed and or stamped on every page (in colour where applicable)
- All pages are originals and not a copy (except the copy of the Form C which is attached to the audit report - however this Form C must bear original stamp or signature of the auditor)
- Is not on the letter headed paper of the organisation being audited (where the auditor is a Competent Public Officer the letter head of the relevant national authority that established the legal capacity to audit the Beneficiary should be used)
- Is accompanied by the Terms of Reference which is signed by both the auditor and beneficiary

ADDITIONAL GUIDANCE FOR ORGANISATIONS

Payment of invoices included in the R&C statement

In Appendix 1 of the "Certificate on the Financial Statement" it states that the costs must

- have been incurred during the duration of the project and
- have been paid

The Commission have confirmed that the invoices must have been paid and not just recorded in order to be included in the claim, however the auditor needs only verify that they have been paid, and not in what period they were paid. Therefore costs occurred in the last month of the JRP, with the invoice paid the following month are allowable so long as it has been paid before the auditor signs the report. If any item recorded in the R&C statement were found by the auditor not to have been paid, the auditor would not be able to verify the cost.

We strongly recommend that organisations ensure that invoices relating to items in the R&C statement are paid by the time of audit, in order to avoid additional complication.

9.5 DELIVERY OF THE 3 AUDIT DOCUMENTS

To: EMRP-MSU

When: For those organisations in the Euro zone – within 90 days of the end of the last JRP in which the organisation is a JRP partner

For those organisations not in the Euro zone – (intermediate audit report) within 90 days of the end of the last JRP in which the organisation is a JRP partner

For those organisations not in the Euro zone – (final audit report) 15 June 2012

Format: Hard copy and scanned pdf (medium resolution)

How: First by email (pdf copy) with hard copy sent by post/courier after confirmation from EMRP-MSU that the report is acceptable.

10. NOTE ON SUBMISSION OF PDF FILES

- 1) PDF scanned copies of documents should be adequate resolution but not very high resolution in order to avoid the need to email large PDF files.
- 2) PDF files should not be generated as SECURED or password protected files as this prevents the EMRP-MSU from collating groups of documents into single files for submission to the European Commission.

11. NOTE ON SUBMISSION OF HARD COPY DOCUMENTS

Hard copies of documents should be sent to Fiona Redgrave, iMERA-Plus Manager, EMRP-MSU, National Physical Laboratory, Hampton Road, Teddington, Middlesex, UK, TW11 0LW.