



Novel Strategies to Fight Child Sexual Exploitation and Human Trafficking Crimes and Protect their Victims

H2020 – 101021801

www.heroes-fct.eu

D1.1 Project Coordination Handbook

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Abstract (for dissemination)	
This deliverable will provide extensive information on the activities initiated in the context of WP1 during the first month of execution.	
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Executive Summary

This Project Coordination Handbook is intended to support partners in the effective and efficient administration and financial management of the project. It is in accordance with the rules and procedures specified in the Grant and the Consortium Agreement as it focuses on project implementation procedures, structures, and coordination and sets out key responsibilities for EU engagement and interaction. It is intended to support the achievement of project objectives, the effective management of partner progress, and the timely delivery of project results. This Project Coordination Handbook presents:

- Key roles and responsibilities.
- Specified communication procedures.
- How the project will be carried out, measured, and monitored.
- Extensive information on the activities initiated during the first month of execution.

Abbreviations

SB	Steering Board
CA	Consortium Agreement
CDT	Communication and Dissemination Team
CSA/CSE	Child Sexual Abuse and Exploitation
CSOs	Civil Society Organizations
DoA	Description of the Action, Annex 1 of the Grant Agreement
EAB	Ethics Advisory Board
EEXAB	External Experts Advisory Board
ESLC	Ethical, Societal and Legal Committee
IIC	IPR and Innovation Committee
LEAs	Law Enforcement Agencies
SAB	Security Advisory Board
THB	Trafficking in Human Beings

1. Introduction

The project management structure and procedures of HEROES aim to ensure the success of the project with efficient and effective progress monitor and control mechanisms that lead to the fulfilment of the project's aim and objectives. The structure provides lightweight and flexible mechanisms for ensuring an intensive, flexible, and open-intended dialogue among the partners regarding key strategic and scientific issues, which promotes cooperation between the partners, rapid and effective decision-making on technical and organizational issues, effective conflict-resolution, resolving possible issues at an early stage, and full compliance with contractual requirements of funding. Project-internal reporting and quality control procedures will be established for defining responsibility of the work-package leaders in terms of deadlines, deliverables, and correctness of the progress reports. The procedures outlined in the project's management strategy will be continuously monitored and improved through an iterative cycle. This ensures a certain degree of excellence as for the project management aspects in HEROES. An overview of work package 1 Project management and coordination can be found in the Grant Agreement Annex 1 Section 1.3.3 page 105.

2. Explanation of the Work Carried out by Project Management and Coordination Work Package

Universidad Complutense de Madrid (UCM) as Project Coordinator (PC) has been leading work package 1 (WP1), and the seven tasks in which the WP is divided. As a project coordinator, UCM has carried out most of the activities within the task. As it is usual at the beginning of research projects, the management work has been one of the most time-consuming and effort-spending items in the day-to-day work. Most remarkable actions have been to organize the 1st plenary meeting and managing the Grant Agreement request with which we are dealing currently. This first month has been generated three deliverables associated with WP1 (2) and WP11 (1).

2.1. Task 1.1 - Administrative Management [M01-M36][D1.1][UCM]

This task has been continuously performed during the first month. About the administrative management, in this task a lot of activities have been undertaken, such as:

- The Consortium signed its Grant Agreement and the final version of its Consortium Agreement.
- The project started on the 1st of December 2021 and had 1 project plenary meeting during this first month:
 - **1st Plenary Meeting:** Online kick-off meeting on December 15th and 16th, 2021. All partners attended the meeting.
- Several audio conferences with several project partners have been held to clarify some doubts about the project execution, as well as, to prepare WPs presentation in the kick-off meeting.
- Creation the specifics mailing groups.
- The project pre-financing was received by the PC and began the distribution process among the partners.

2.2. Task 1.2 - Scientific Coordination [M01-M36][D1.2][UCM]

This task is linked with T1.1, in this context, several logistic and scientific actions have been conducted. In particular, three points are highlighted:

- The content collaboration platform has been configured and shared with all partners. This platform being created and maintained by UCM. Instructions for uploading, naming, placing, and modifying the various document in the private server have also been outlined and shared among the partners.
- Quality assurance and process for release of deliverables has been designed. This information will be detailed in deliverable D1.2.
- Several audio conferences among the project partners have been held to organise the first steps the various started project tasks the first month.

2.3. Task 1.3 - HEROES sub committees and Advisory Board Establishment [M01-M01][D1.3][UCM]

The project management structures, the roles and responsibilities of the different committees were established and the representatives from the partners were nominated.

In the context of this task, one deliverable has been delivered in this month. Particularly, was submitted the document D1.3 - HEROES Advisory Board and sub committees report. This deliverable was successfully submitted on time and format and contained the following information:

- Project Coordinator
- Steering Board
- Ethical, Societal and Legal Committee

- Scientific and Technical Committee
- Communication and Dissemination Team
- IPR and Innovation Committee
- External Experts Advisory Board
- Security Advisory Board
- Ethics Advisory Board
- Work Package Leader

2.4. Task 1.4: Ethics management [M01-M36][D1.4/D1.8/D1.9/D1.10][TRI]

This task, to be executed during the whole project length, is somehow embedded into the first work package (WP1), and its activity within the scope of WP3 of HEROES. This task is leads by Trilateral who is also leader of WP3. The objectives and first steps of these tasks were presented in the kick-off meeting.

2.5. Task 1.5: Data management [M01-M36][D1.5/D1.11/D1.12][UCM]

As a requirement in HEROES, some of the data generated by the consortium is classified as EU - RESTRICTED. In this month, in context of this task, a Security Advisory Board (SAB), and a secure and standardized procedure which will assure that no sensitive information has been established. This procedure will be included in the publications and deliverables of the HEROES' project.

2.6. Task 1.6: Gender dimension plan [M01-M36][D1.6][UCM]

The objectives of this task were presented in the kick-off meeting.

2.7. Task 1.7: Innovation Management: Engagement with Project Advisory Board (AB) and end-users [M01-M36][D1.7/D1.13][UCM]

During this first month of the project the project coordinator confirms the participation of the External Expert Advisory Board in the project.

3. Management of the HEROES Project

3.1. Consortium Partners

The list of Beneficiaries is shown in Table 1.

Table 1: HEROES Consortium Partners

No.	Name	Short Name	Country
1	UNIVERSIDAD COMPLUTENSE DE MADRID	UCM	Spain
2	UNIVERSITY OF KENT	UNIKENT	UK
3	VRIJE UNIVERSITEIT BRUSSEL	VUB	Belgium
4	UNIVERSIDADE ESTADUAL DE CAMPINAS	UNICAMP	Brazil
5	FUNDACAO UNIVERSIDADE DE BRASILIA	Lab LATITUDE	Brazil
6	INSTITUT NATIONAL DE RECHERCHE EN INFORMATIQUE ET AUTOMATIQUE	INRIA	France
7	KENTRO MELETON ASFALIAS	KEMEA	Greece
8	INTERNATIONAL CENTRE FOR MIGRATION POLICY DEVELOPMENT	ICMPD	Austria
9	INTERNATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN SWITZERLAND	ICMEC CH	Switzerland
10	IDENER RESEARCH & DEVELOPMENT AGRUPACION DE INTERES ECONOMICO	IDENER RD	Spain
11	ATHINA-EREVNITIKO KENTRO KAINOTOMIAS STIS TECHNOLOGIES TIS PLIROFORIAS, TON EPIKOINONION KAI TIS GNOSIS	ARC	Greece
12	TRILATERAL RESEARCH LIMITED	TRI	Ireland
13	CENTRE FOR WOMEN AND CHILDREN STUDIES	CWCS	Bangladesh
14	KOVOS SU PREKYBA ZMONEMIS IR ISNAUDOJIMU CENTRAS VSI	KOPŽI	Lithuania
15	ASSOCIACAO PORTUGUESA DE APOIO A VITIMA	APAV	Portugal
16	FUNDACION RENACER	Renacer	Colombia
17	ELLINIKO SYMVOULIO GAI TOUS PROSFYGES	GCR	Greece
18	ESPHERA - CULTURAL, AMBIENTAL E SOCIAL	ESPHERA	Brazil
19	ASSOCIACAO BRASILEIRA DE DEFESA DA MUHLER DA INFANCIA E DA JUVENTUDE	Asbrad	Brazil
20	MINISTERIO DEL INTERIOR	ESMIR	Spain
21	HELLENIC POLICE	HELLENIC POLICE	Greece
22	IEKSLIETU MINISTRIJAS VALSTS POLICIJA STATE POLICE OF THE MINISTRY OF INTERIOR	SPL	Latvia
23	GLAVNA DIREKTSIA BORBA S ORGANIZIRANATA PRESTUPNOST	GDCOC	Bulgaria
24	SECRETARIA DE INTELIGENCIA ESTRATEGICA DE ESTADO PRESIDENCIA DE LA REPUBLICA ORIENTAL DEL URUGUAY	SIEE	Uruguay
25	POLICIA FEDERAL	Polícia Federal	Brazil
26	POLICIA RODOVIARIA FEDERAL	PRF	Brazil
27	COMANDO CONJUNTO DE LAS FUERZAS ARMADAS DEL PERU	CCFFAA	Peru
28	THE GLOBAL INITIATIVE VEREIN GEGEN TRANSATIONALE ORGANISIERTE KRIMINALITAT	GI-TOC	Austria

UNICAMP, Lab LATITUDE, ESPHERA and CCFFAA withdrew themselves from the project at the first quarter of 2022.

3.2. Management Structure

The structure of the project management is shown in (Figure 1). The roles of the different Bodies and people involved will follow the latest DESCA model Consortium Agreement (CA) for H2020, adapted to the Consortium’s needs and constraints.

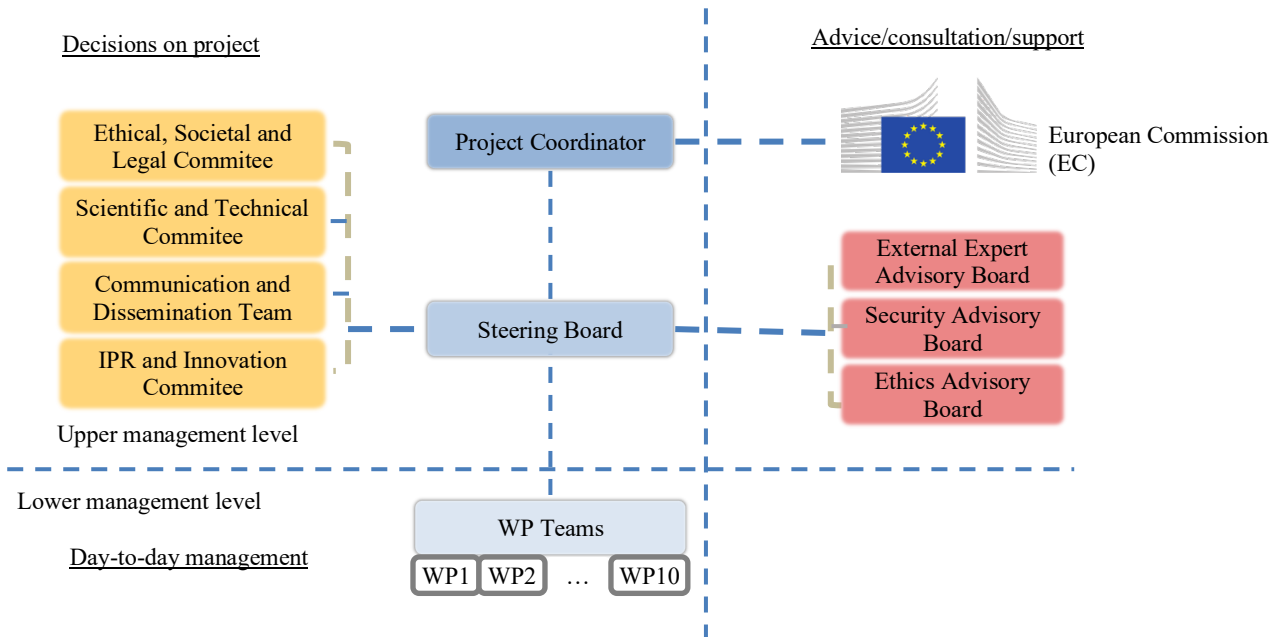


Figure 1: HEROES Management Structure

3.2.1. Project Coordinator

The project coordinator role as described in the Grant Agreement, is implemented by the University Complutense of Madrid. Principal Coordinator is Luis Javier García Villalba.

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3.2.2. Steering Board

The details of the Steering Board (SB) are described in the GA; it will meet every six months during the project. Depending on the health restrictions, meetings might held be online. The dates for these meetings will be timely scheduled by the project coordinator in alignment with the partners. If there is a need expressed by most of the representatives, additional sessions will be arranged.

3.2.3. Ethical, Societal and Legal Committee

The Ethical, Societal, and Legal Committee (ESLC) has a critical role due to the nature of the project. It will oversee the adherence of the participants and their activities to the relevant European regulations and ethical

values. This Committee will be led by Trilateral Research, acting as the Ethical Manager, due to its vast expertise in ethics, particularly relating to surveillance, tracking, and monitoring.

The Committee comprises representatives of the end-user partners, the Ethical Manager and selected experts from the consortium partners, specialised in tracking ethics, data protection, and relevant technical infrastructures.

In particular, the Committee has the following functions:

- To monitor and provide solutions to ethical and legal affairs that may arise in the work plan.
- To evaluate the ethical adherence of project deliverables to European regulations.
- To guide scientific research to follow ethical standards and scientific merit, with especial attention to research involving human rights.
- To propose solutions to legal and ethical questions coming from the participants.
- To ensure the approval of ethical procedures by the competent legal local/national Ethics Boards/Bodies/administrations in the countries where the different end users' validation will take place (Brazil, Bulgaria, Greece, Latvia, and Spain). Note that the validation will not contain any European Union classified information (EUCI) information.

Further details of the Ethical, Societal, and Legal Committee can be found in Section 5.1.1. of the Grant Agreement.

3.2.4. Ethics Advisory Board

The Ethics Advisory Board (EAB) comprising three internal partners as well as one external with recognised ethics expertise, Dr. Gemma Galdon Clavell. She is an independent ethics advisor that has been engaged for the duration of the project and will provide continued guidance and independent reporting on ethics issues oversight, compliance and issues encountered.

3.2.5. Scientific and Technical Committee

The Scientific and Technical Committee (STC) is composed of the leaders of technical and research WPs and assists the AB with related topics. The STC is in charge of the management of dependencies between technical tasks, coordination of technical work, writing scientific publications, review and approval of reports and deliverables, and resolution of problems of technical nature. Details of the duties include:

- Monitoring the general scientific and technological community in those research areas tackled by the project to determine the state-of-the-art and implementation evolution.
- Keeping abreast with emergent technology.
- Monitoring of the progress of scientific research and technological developments.
- Evaluate and ensure the scientific merit of the research.
- Coordination of scientific meetings and preparation of supporting reports.
- Liaison between this and related projects, networks of excellence, standardisation bodies and in general with adjacent research communities.

3.2.6. Communication and Dissemination Team

The Communication and Dissemination Team (CDT) will be elected by the SB at the beginning of the project attending to the previous experience of the nominated components. The main duties of the EDT, to be authorised by the AB, are:

- Design and supervise the “Project dissemination strategy” to effectively exploit and disseminate project’s results.
- Generate material to be used in dissemination activities.

- Lead campaigns to create or raise awareness by promoting child rights and means for preventing crime.
- Assess the correctness of the content presented on public platforms, such as websites (D10.2), leaflets and awareness campaigns.
- Follow-up of the communication actions programmed during the period of the grant.
- Liaise with other projects of similar topic/goals.

3.2.7. IPR and Innovation Committee

The main task of the IPR and Innovation Committee (IIC) innovation is to address issues which require understanding both, market and technical sides, aiming to achieve the expected products and service in a position to successfully reach the market and make the project sustainable after the funding period. This Committee will also allow the consortium to appropriately respond and react to an external or internal opportunity. This body is formed by a representative from each partner specialised in IPR and technology transfer. The committee is in charge for decisions to be taken by the participants individually or as a consortium. Among the tasks to be accomplished by the IIC we find:

- Detect and address issues related to license compliance.
- Prepare, distribute, and collect non-disclosure agreements to enable and facilitate information exchange between the project consortium, the EEXAB, stakeholders, and other entities to collaborate within the framework of related initiatives and clusters.
- Delimitation of access rights for third parties.
- Approval and exploration of joint ownership management and licensing agreements.
- Protection of results or confidentiality, and market approach strategy, among others.

3.2.8. External Experts Advisory Board

The External Experts Advisory Board (EEXAB) consists of international experts with relevant experience in the field of security, digital forensics, and THB and CSA/CSE prevention and mitigation programs. The External Experts, together with their organisations, will support our consortium's scientific expertise and mission by providing additional awareness-raising strategies, high impact ingredients, and their strong experience in their respective fields. In this context, they will be continuously updated with the relevant information associated with the project and will provide advice about the multiple, ongoing, and completed research problems addressed by HEROES. Table 2 shows the EEXAB list of members.

Table 2: External Experts Advisory Board

Name	Organisation	Country
Vincent Danjean	Head of Cyberspace and New Tech Lab	France
Federica Toscano	Missing Children Europe	Belgium
Jorge Huaypar Vasquez	Peruvian National Police	Peru
Sara Oviedo Fierro	Fundación Quitu Raymi	Ecuador
Robson de Oliveira Albuquerque	NuBank	Brazil
Tania García Sedano	Judge at the High Court of Madrid	Spain
Julio Alberto Rodríguez Vásquez	International Labour Organization	Peru

Mr. Luciano Lima Kuppens (Assistant Director of Applied Innovation at Interpol, Singapur) was EEXAB until November 2022 and was replaced by Mr Vincent Danjean.

3.2.9. Security Advisory Board

The Security Advisory Board (SAB) is chaired by the Project Security Officer (PSO), Dr. Julio Hernandez-Castro, and composed of five members including end-user representatives/external reviewer(s) with competence in the areas of cybersecurity and software engineering with recognised security and handling of

classified information expertise. Taking in consideration the sensitivity of the information utilised during the research and implementation of deliverables (e.g. images, personal data, and internal LEA procedures), this group oversees the correct data management at every phase of the project, as well as assessing the proper handling of outputs (publications, papers, press releases, etc.).

In support of the work of SAB, every project partner is committed to implement a process to assess the risks which might accompany the publication of a given deliverable from the internal point of view of the partner. Where matters related to security arise within the life of the project the SAB will liaise with representatives from the end user groups.

SAB will review the project deliverables, assess whether they include any security sensitive information and will propose timely measures for preventing the misuse of such information. Should the SAB detect any change in the security context, the coordinator must request the Granting Authority for an amendment to the Grant Agreement.

The deliverable template will have a section where the SAB members can record their comments. After each deliverable with potential security related content has been finalised by the partners, the SAB shall have 15 days to provide their comments. It will do so by communicating with the respective task leader of a deliverable as well as with the project coordinator. If there are no issues, the deliverable will be uploaded on the Participant Portal. If there are security sensitivity issues, on the advice of the SAB, the Coordinator and WP leader shall determine the necessary actions required to resolve the identified issues. Security matters will also be a standing agenda item at meetings. SAB will also oversee the management of EUCI information, define a specific policy for handling such documents, access rights, and communication of the declassified content of deliverables.

Further details of the Security Advisory Board and security procedures and representatives can be found at Grant Agreement's Section 6.4. Security staff.

3.3. Conflict Management

In case of disputes arising in the Consortium, including cases of abuse of powers, which cannot be amicably solved, the partners will follow the procedures specified in the Consortium Agreement "art. 11.8 Settlement of disputes".

3.4. Project Reporting and Performance Assessment

Progress of the activities are monitored by the Project Coordinator and submitted to the European Commission. Throughout the lifetime of the project there are:

- Periodic reports to the European Commission.
- Internal progress reports.

Each partner is responsible for producing cost statements and management control reports that contain the status of the active work packages they are performing.

3.4.1. Periodic Reports to European Commission

The HEROES project has a scheduled duration of 36 months, from December 2021 (M1) to November 2024 (M36).

The HEROES project is divided into 2 reporting periods:

- RP1: From Month 1 To Month 12
- RP2: From Month 13 To Month 36

These reports entail each partner's declaration of financial statements costs and efforts (real) for the period.

On the other hand, the project has 3 reviews during its development:

- RV1 – Tentative Timing Month 13, Planned Venue Brussels
- RV2 – Tentative Timing Month 25, Planned Venue Brussels
- RV3 – Tentative Timing Month 36, Planned Venue Brussels

3.4.2. Internal Progress Reports

Internal Progress Reports will be used to monitor both technical activities and budget expenditures.

Technical Progress Reports will be prepared and issued by the WP Leaders, with the contribution of Task leaders, every month.

3.4.3. Reporting Guidelines

Periodic reports to European Commission from each partner to coordinator shall include:

1. Interim/progress report
2. Achievement of milestones and deliverables
3. A cost budget follow-up table
4. A person-month status table

Periodic reports from coordinator to European Commission shall include:

1. An overview, including a publishable summary of the progress of work, including achievements
2. Differences between work expected or planned and work actually carried out
3. Explanation of the use of the resources
4. Form C – financial Statement by each partner
5. Summary Financial Report Form to be filled by the coordinator.

The final report shall include a

1. A final publishable report covering results, conclusions, and socioeconomic impact of the project
2. A report covering the wider societal implications of the project, including genders equality actions, ethical issues, efforts to involve other actors and spread awareness as well as the plan for the use and dissemination of foreground
3. Form C – Financial Statement

4. Management Tools

The management plan considers the continuous monitoring of the execution a fundamental aspect for the good development of HEROES project. For this reason, several actions are continually being performed, such as:

- Interaction among the partners using mailing lists.
- Periodic meetings that allow the participants to focus on specific topics.
- Deliverables are reviewed by two internal members of the consortium
- The technical and administrative documentation is always available in the content repository.

4.1. Document Tools Repository

To facilitate the collaboration and syncing of all partners in a seamless and secure way, we have opted to use Synology DiskStation Manager (DSM)¹. Synology DSM is an intuitive web-based operating system and on-premises content collaboration platform used by the HEROES project mainly for file sharing. Synology DSM can be accessed via a web browser. It is mainly intended to be used as a file repository. The folders have been structured according to work packages and tasks, and others (see Figure 2).

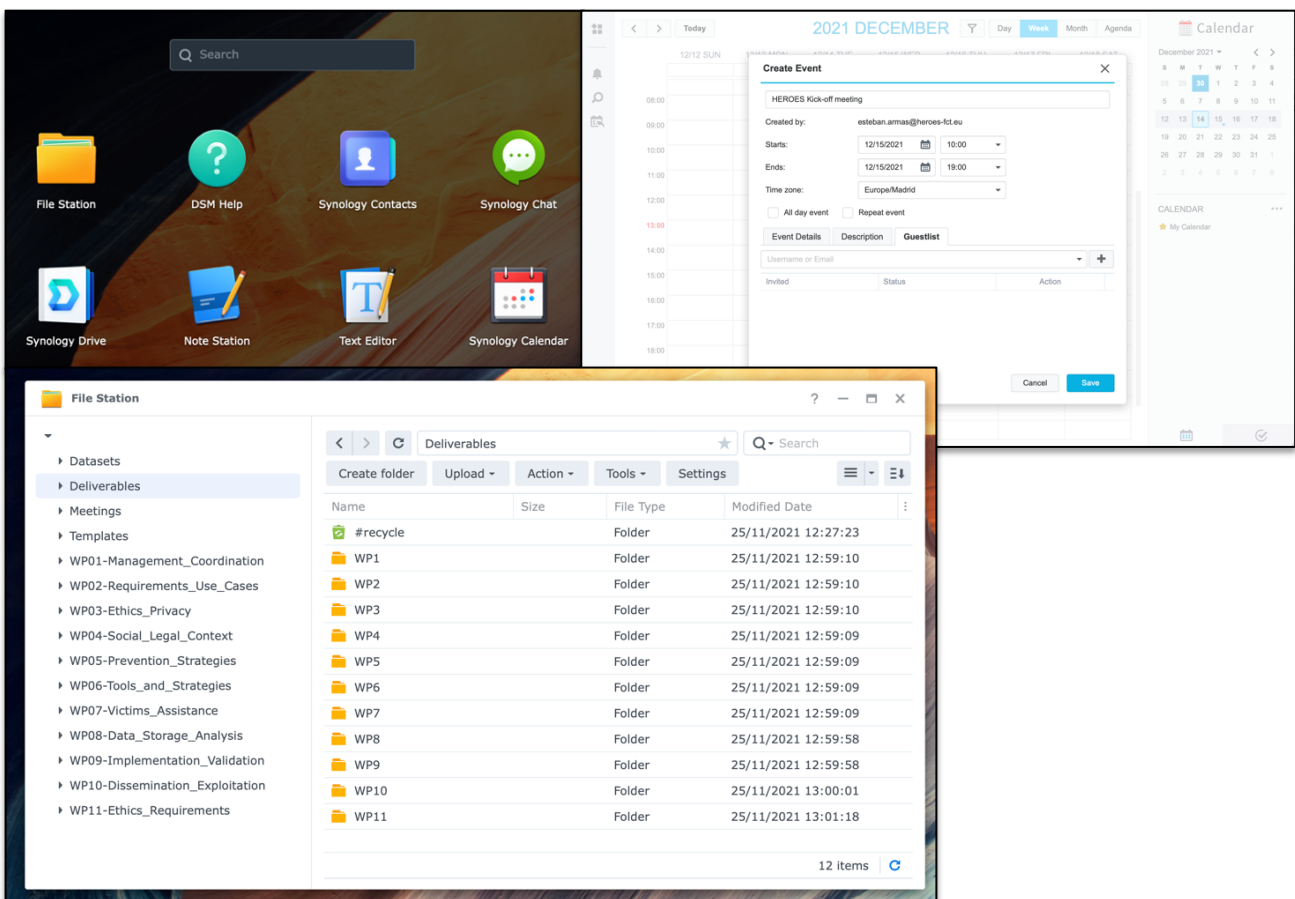


Figure 2 File Structure on HEROES' file repository

The Coordinator maintains and keeps up-to-date a project calendar that will be available for all the HEROES partners online (also in the iCal format to access this calendar from other applications) using the corresponding DSM functionality. This way, all HEROES-related events and meetings etc. will be entered and communicated directly to all partners.

¹ <https://www.synology.com/en-global/dsm>

4.2. Internal Email Correspondence

4.2.1. Naming

Since many of the HEROES partners are involved in multiple projects under various European and international programs, all email correspondence from our project must have a "[HEROES]" prefix in the subject of the correspondence, followed by a short title that contextualizes the content of the message. Also, it is recommended that each participant create a folder dedicated to "HEROES" within their email inbox, to facilitate archiving and referencing.

4.2.2. Mailing Groups

As it is important to ensure that the relevant partners are included in the email communication, mailing groups for Administrative & Financial, Technical, and General topics have been created as follow:

- **HEROES' Fin and Admin Group:** All members of this group will receive financial and administrative information of HEROES. This group will be used to broad Financial and Administrative information to each of the representatives of each partner from the consortium.
- **HEROES' Technical Distribution Group:** All members of this group will receive technical information and updates regarding the project tasks and development. This group will be used to broad information, mainly, to the technical members of the consortium.
- **HEROES' General Distribution Group:** All members of this group will receive general and common information regarding the project. This group will be used to broad information to all the members of the consortium whether they have a technical, administrative, or financial role.
- **HEROES' Work Packages (WPs) Distribution Group:** Members of these groups will receive information and updates regarding the respective WP' tasks and development.

In addition, all contact information from each partner is shared with all the consortium members through an excel sheet within the Synology DSM system, Also, the HEROES repository has a Contact app with all the contact information of each partner's member (see Figure 3).

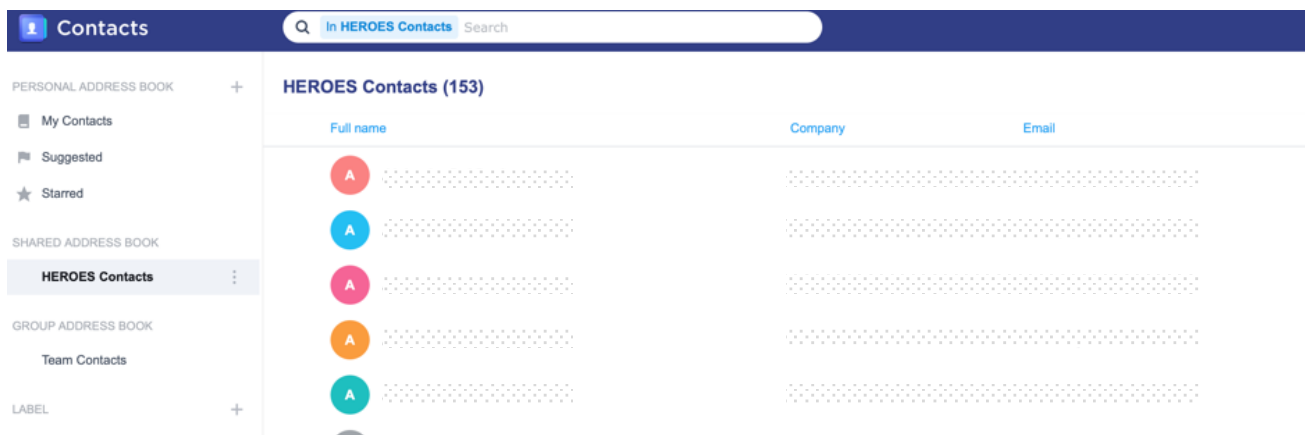


Figure 3: HEROES' Repository Contact app

4.3. Internal Project Meetings

Meetings are one form of handling project communication. They are organised regularly for each active task (by task lead), for each active WP (by WP lead), for the overall consortium (by PC).

The project meetings are documented in a meeting log available on HEROES' Repository. In addition, meeting minutes will be provided (by the meeting leader) and stored on HEROES' Repository. Teleconferencing tools such as Microsoft Teams, Zoom, etc. will be used as needed.

5. Grant Payments Schedule

The Coordinator receives the payments from the EC and distributes the payments to the beneficiaries without unjustified delay. There are three payments in case of HEROES.

5.1. Pre-financing Payment

The pre-finance payment is paid at the project start. The pre-finance was calculated as follows:

80% of the beneficiary’s maximum grant amount minus 5% for the Guarantee Fund

The 5% of the Guarantee Fund is kept by the EC until the end of the project. The pre-finance will be paid by the Coordinator to all the beneficiaries.

5.2. Interim payment

The Interim payment will be paid after the first reporting period (M1-M12). The payment is processed by the EC within 90 days from the reception of the periodic reports (periodic reports shall be submitted to the EC by the Coordinator within 60 days after the end of the period in M12). The accepted eligible costs for the period are paid up to the limit of 90% of the maximum grant amount (pre-financing amount is included when checking if the 90% threshold was not exceeded). Figure 1 summarises the interim payment features.

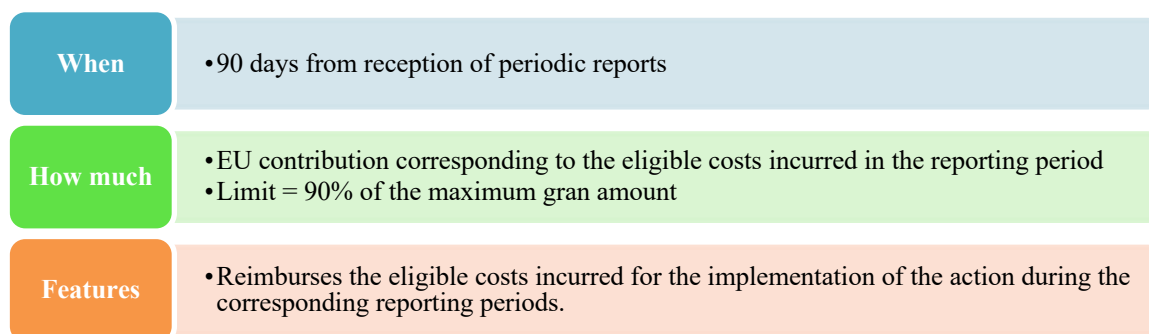


Figure 4:Interim Payment

5.3. Payment of the Balance

The final payment will be paid after the end of the project. The payment is processed by the EC within 90 days from the reception of final reports (to be submitted to the EC within 60 days after the end of the project in M36). Payment is subject to the approval of the final report. The final payment includes the remaining accepted eligible costs + the release of the 5% of the Guarantee Fund (GF). Figure 5 summarises the interim payment features.

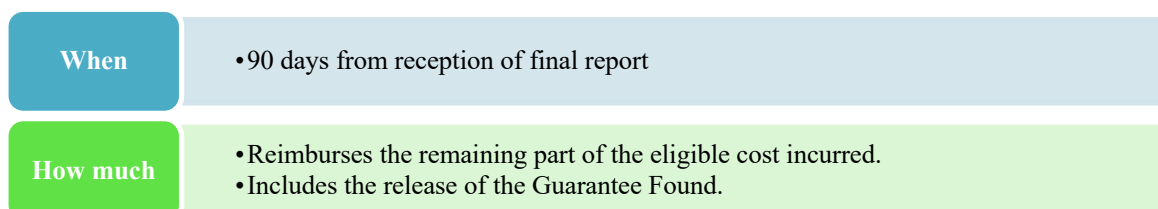


Figure 5: Payment of the Balance

6. Overview of Financial and Administration Rules

This section shall give HEROES partners an introduction in the H2020 project financial and administration rules. It only provides basic information. For details and examples, please refer to the Annotated Model Grant Agreement (AMGA) provided by the EC. The latest version at the time of writing is available at https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf.

6.1. Cost Types

There are several cost types which are eligible in the H2020 projects:

- Actual costs (i.e. real costs).
- Unit costs (e.g. ‘average personnel costs’ - not foreseen in HEROES).
- Flat-rate costs (only for indirect costs – 25% overhead in case of HEROES).

The following standard cost categories can be claimed in the H2020 projects:

- Direct personnel costs.
- Direct costs for subcontracting.
- Other direct costs (e.g. travel expenses, depreciation of equipment/infrastructure, costs of services...).
- Indirect costs – 25% flat rate (calculated from personnel and other direct costs, not subcontracting).

6.2. General conditions for costs to be eligible (art. 6.1 Grant Agreement)

‘Eligible costs’ are costs that meet the following criteria:

1. they must be **actually incurred** by the beneficiary;
2. they must be incurred in the period set out in Article 3, [i.e. **during the project duration**], with the exception of costs relating to the submission of the periodic report for the last reporting period and the final report (see Article 20);
3. they must be **indicated in the estimated budget** set out in Annex 2;
4. they must be **incurred in connection with the action** as described in Annex 1 and **necessary** for its implementation;
5. they must be **identifiable and verifiable**, in particular **recorded in the beneficiary’s accounts** in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary’s **usual cost accounting practices**;
6. they must comply with the applicable **national law on taxes, labour and social security**, and
7. they must be reasonable, justified and must comply with the **principle of sound financial management**, in particular **regarding economy and efficiency**;

6.3. Direct Personnel Costs and Timesheets

Personnel costs are eligible, if they are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action (‘**costs for employees (or equivalent)**’). They must be limited to salaries (including during parental leave), social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

Beneficiaries that are **non-profit legal entities** may also declare as personnel costs **additional remuneration** for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- a. It is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required.
- b. The criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

Personnel costs may be charged as:

- **Actual costs** ('actual' hourly rate) – see below for details on calculation
- **'Unit costs'** (hourly rate as agreed in Grant Agreement or calculated according to 'usual cost accounting practices')
- **SME owners/natural person without salary** (standard hourly rate; country correction coefficient)
- **Natural persons working under direct contract with the beneficiary:** eligible under certain conditions

In HEROES, only the 'Actual costs' method is foreseen in the budget of the project.

6.3.1. Personnel Costs Calculation – 'Actual costs' method

The costs to be declared for personnel carrying out project tasks are calculated as follows:

Personnel costs = Hourly rate x actual hours worked on the project [+ additional remuneration in case of non-profit organisations]

The number of actual hours declared for a person must be **identifiable and verifiable** via **time records** for the number of hours declared (to be archived for 5 years / 3 years for grants lower than 60 000 €). **Time records must be dated and signed at least monthly by the person working for the action and his/her supervisor.**

As an **exception**, for persons working **exclusively on the action (100% of her/his working time)**, there is no need to keep time records, if the beneficiary signs a declaration on exclusive work for the action²³ confirming that the persons concerned have worked exclusively on the action (see Art. 18, p. 178 of the AMGA)⁴.

The total number of hours declared in EU grants, for a person for a year, cannot be higher than the annual productive hours used for the calculations of the hourly rate. Therefore, the maximum number of hours that can be declared for the grant are:

maximum number of hours declared = number of annual productive hours (APH) (see Section 4.3.2)

-
total number of hours declared by the beneficiary, for that person in that year, for other EU grant

The 'hourly rate' is calculated per full financial year, as follows:

$$\text{Hourly rate calculation} = \frac{\text{actual annual personnel costs}}{\text{number of annual productive hours (APH)}}$$

The beneficiaries must use the personnel costs and the number of productive hours for **each full financial year** covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the **last closed financial year available**. Once **declared**, the personnel costs can normally **NOT be adjusted/changed** due to a recalculation of the hourly rate (even if a re-calculation after the closure of the financial year on-going at the end of the period would give another

² http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/templ/tmpl_decl_excl-work_en.doc

³ http://ec.europa.eu/research/participants/data/ref/h2020/other/legal/templ/tmpl_decl_excl-work_en.odt

⁴ https://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

result). A correction is only possible (and must be made) if there was a mistake in the calculation of the hourly rate that was used to declare those costs (e.g. incorrect accounting information).

Employees hired during on-going financial year (at the end of the reporting period) — Since these employees did not work for the beneficiary during the last financial year, the hourly rate can only be calculated on the basis of his/her personnel costs incurred during the reporting period. The **pro-rata of the annual productive hours** shall be used to calculate hourly rate.

As an alternative, beneficiaries may calculate the hourly rate per month, as follows:

$$\text{Hourly rate per month} = \frac{\text{actual monthly personnel cost (excluding additional remuneration) for the person}}{\text{number of annual productive hours} / 12}$$

using the personnel costs for each month and (one twelfth of) the annual productive hours calculated according to the option (a) or (c) of the Section 4.3.2.

Each beneficiary must use only one option (per full financial year or per month) for each full financial year.

6.3.2. Annual Productive Hours

For calculating the **annual productive hours (APH)**, the beneficiary must use one of the following three options:

- a. 1 720 hours for persons working full time (or corresponding pro-rata for persons not working full time) (**'1720 fixed hours'**)
- b. the total number of hours worked by the person in the year for the beneficiary (**'individual annual productive hours'**)
- c. the **'standard number of annual hours'** generally applied by the beneficiary for its personnel in accordance with its usual cost accounting practices (**'standard annual productive hours'**). The **'Standard annual productive hours'** must be at least 90% of the **'standard annual workable hours'**

The selected option **must be applied** not only to the person for whom the beneficiary declares costs, but **per group of personnel employed under similar conditions**. The beneficiary **cannot use different methods** for specific research actions or projects on an ad-hoc basis. **Options (a) and (c) can only be used** if the contract (or applicable collective labour agreement or national working time legislation) allows to determine the annual workable hours.

6.4. Direct Costs of Subcontracting

Subcontracting can be used for a contract for the purchase of goods, works or services that are identified in DoA as **action tasks**⁵ (other smaller items fall under 'other direct costs' category). Subcontract is based on business conditions (price includes a profit margin). The 'Best value for money' principle has to be followed. When purchasing goods or services as subcontracting, **three quotes** shall be collected. The responsibility for subcontracted tasks lies fully with the beneficiary. Intellectual property generated by the subcontractor must revert to the beneficiary.

Examples:

- Testing and analysis of the resistance of a new component under high temperatures, if described in DoA as action task
- Building of a prototype, if defined as an action task
- Conduction of an opinion poll, if defined as an action task

⁵ If the need for a subcontract is not foreseen at the moment of the signature of the GA, the coordinator must request an amendment of the GA in order to introduce it in Annex 1 and 2. Exceptionally, the Commission/Agency may approve costs related to subcontracts not included in Annex 1 and 2 without formally amending the GA ('simplified approval procedure')

- Setting up a website or a video, only if defined as an action task

Eligibility criteria:

- Best value for money (price-quality ratio) or the lowest price ('three offers' rule)
- Public procurers must follow public procurement law
- Reasons, tasks and estimated costs must be indicated in the DoA
- No conflict of interest
- No indirect costs on subcontracting
- **Subcontracting between beneficiaries is NOT allowed**

For more details on subcontracting rules, please refer to the Article 13 (page 144) of the AMGA.

6.5. Other Direct Costs

Other direct costs category covers minor cost items such as travel, equipment, consumables and other.

Purchase of services or goods can fall under the 'Other direct costs' category if **not defined as 'action tasks'** in the DoA (similar to 'minor tasks' in FP7). The responsibility lies fully with the beneficiary. Intellectual property generated by the service provider must revert to the beneficiary.

Examples:

- travel costs and related subsistence allowances (in line with the beneficiary's usual practices on travel)
- equipment costs (only if necessary, linked to the action, etc.)
- costs of other goods and services
- consumables (only of directly linked to the action implementation)
- costs for Certificate on financial statements
- dissemination costs (including regarding open access during the action, e.g. article processing or equivalent charges), costs related to data maintenance or storage and conference fees for presenting project-related research
- production of dissemination materials (brochures, leaflets etc.)
- setting up a website or creating a video if not defined as an action task in DoA
- meeting organisation costs and meeting catering costs
- translations, printing costs
- other 'out-of-pocket' costs

Eligibility criteria:

- Best value for money (price-quality ratio) or lowest price ('three offers' rule)
- Public procurers must observe public procurement law
- 25 % indirect costs on costs of services
- For more details on 'Other direct costs', please refer to the AMGA.

6.6. Purchase of Goods, Works or Services: 'Subcontracting' vs. 'Contracting'

Table 3 shows the difference between contracting and subcontracting the purchase of goods, works and services.

Table 3: Contracting vs Subcontracting

Contracting (Art 10 of the GA)	Subcontracting (Art 13 of the GA)
Contracting can be used for purchasing goods, works and services which are necessary to implement the action tasks but not directly linked to them	Subcontracting can be used to implement certain action tasks described in Annex 1.
	Subcontracting may cover only a limited part of the action.
If applicable, they should be set out in Annex 1 and the total estimated costs for contracting declared in Annex 2	If applicable the tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2.

Good advice: Costs falling under ‘Other direct costs’ are by definition smaller cost items. If a service or goods is planned to be purchased which is of a bigger value and is not planned in the DoA as an action task, the purchase should be considered as a ‘new’ subcontract and shall be first approved with the EC.

- **Example (contracts):** Contract for a computer; contract for an audit certificate on the financial statements; contract for the translation of documents; contract for the publication of brochures; contract for the creation of a website that enables action’s beneficiaries to work together (if creating the website is not an action task); contract for organisation of the rooms and catering for a meeting (if the organisation of the meeting is not an action task mentioned as such in DoA); contract for hiring IPR consultants/agents.
- **Example (subcontracts):** Contract for (parts of) the research or innovation tasks mentioned in DoA.

6.7. Keeping Records

The beneficiaries must — for a **period of five years** after the payment of the balance — keep records and other supporting documentation in order to prove the proper implementation of the action and the costs they declare as eligible.

They must make them available upon request (see Art. 17 of the GA) or in the context of checks, reviews, audits or investigations (see Art. 22 of the GA). If there are ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims under the Grant Agreement, the beneficiaries must keep the records and other supporting documentation until the end of these procedures.

The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The Commission may accept non-original documents if it considers that they offer a comparable level of assurance.

6.8. Certificate on the Financial Statements

Beneficiaries requesting a total contribution \geq **325,000 EUR** must accompany their final financial statement by a certificate on the financial statements. The Certificate on the Financial Statements (CFS) is only submitted once at the end of the project with together with the final financial report.

UCM has the CFS obligation in HEROES. The CFS Template is available at:

http://ec.europa.eu/research/participants/data/ref/h2020/gm/reporting/h2020-tpl-annex5-cfs_en.odt

7. Conclusions

This document provides an overview of the management bodies, methodologies, procedures, and tools defined and enabled in the HEROES project management plan.

There is a comprehensive and clear structure that will ensure a successful implementation of the project. This structure has defined roles and clarity in terms of process for dealing with any issues that arise in a quick and efficient matter. All partners are fully aware and conversant with this structure to assist in this process.

However, this document is not a static plan and will be kept under review for the whole project. New procedures and tools (mainly) could be needed in future stages of the project. When these needs are identified, and new procedure such as tools or software development methodology are required, then the management plan and procedures will provided a clear and defined way of implementing these to ensure project progress in maintained.