

UPDATE HORIZON EUROPE LEGAL ASPECTS

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WHO TO CONTACT IN AUSTRIA FOR HORIZON EUROPE LEGAL & FINANCIAL ASPECTS



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<https://www.ffg.at/en/europe/heu/legal-financial>

legal/financial basic consultation, application → thematic NCPs: <https://www.ffg.at/en/europe/ncp>

Contact persons for universities: <https://www.plus.ac.at/forschung/argefofoe/>

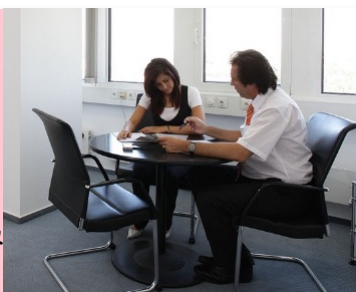
Contact persons for non-university related research organisations:

https://www.ffg.at/sites/default/files/allgemeine_downloads/europaeische_und_internationale_programme/AuFos.pdf

SERVICES ABOUT HORIZON EUROPE LEGAL & FINANCIAL

Consultation:

- ✓ Consultation on complex and **specific legal & financial questions**
- ✓ Consultation on Open Access & Open Data



Information:

- ✓ **Newsletter** (Section: „Recht & Finanzen“): <https://www.ffg.at/form/newsletter-europa>
- ✓ **Homepage:** <https://www.ffg.at/europa/heu/recht-finanzen>
- ✓ Information sheets



Events:

- ✓ **Information events** (invitations: legal_heu@ffg.at)
- ✓ Trainings of FFG Academy: <https://www.ffg.at/europa/akademie-terminen>
- ✓ **Inhouse workshops & trainings** for specific target groups

UPCOMING EVENTS & INFORMATION (FFG)

- **Information by FFG about Legal & Financial Aspects in Horizon Europe:**

<https://www.ffg.at/europa/heu/recht-finanzen>

- **FAQ collection by FFG about Horizon Europe:**

<https://www.ffg.at/europa/heu/recht-finanzen/fragen>



new FAQ!

TOPIC OVERVIEW

- ✓ Update from the latest HE Legal NCP ...
 - ✓ FSTP WS and Pre-Meeting: 27th Nov
 - ✓ Meeting with EC: 28th Nov

- ✓ Information & Support

HE LEGAL NCP PRE-MEETING 27.11.2025



Legal NCP pre-meeting (part of Legal NCP project)

- exchange of hot topics
- update of different situations and circumstances in different countries

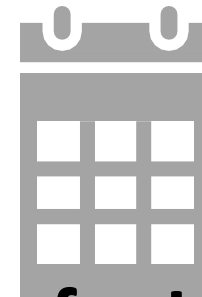
Horizon Academy for L&F NCPs



NCP virtual campus

20+ courses in the [NCP Portal](#) (**open to anybody**)

- Participants in HE projects
- Contractual relationships in HE projects
- Mastering budget preparation in HE projects
- Financial reporting and payments in HE projects



Trainings for L&F NCPs



Follow our activity on:



<https://horizoneuropencppportal.eu>



<https://courses.horizoneuropencppportal.eu>



https://twitter.com/HE_NCP_Portal

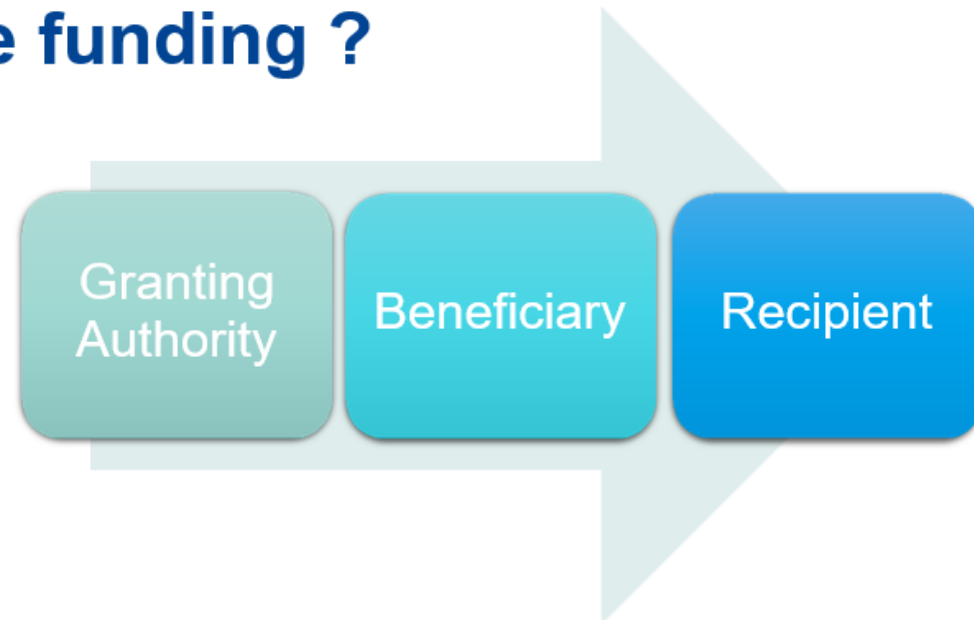


<https://www.youtube.com/c/horizoneuropencppportal>



What is FSTP / cascade funding ?

Financial support from beneficiaries to (one or more) **recipients that are not party to the EU Grant Agreement** (third party).



Under any grant (RIA, IA, CSA, Co-funds)



Grants i.e., financial donation to **natural persons** (e.g. allowance, scholarship, fellowship) **or legal persons** (e.g. non-repayable financial assistance to local NGOs)



Prizes are given on the basis of a contest organised by the beneficiary.

FSTP WORKSHOP 27.11.2025

Main Takeaways

1. **FSTP is a powerful tool** to involve small, agile players and maximize the reach and impact of Horizon Europe projects.
2. **Success depends on consortia operational capacity, resources and risk management**, including dedicated teams, clear selection criteria, well-defined objectives, reliable IT systems for managing calls, transparent payment schedules, and fit-for-purpose contracting.
3. **Indirect support matters**: beneficiaries' ability to provide coaching, mentoring, and similar services to final recipients is a significant asset.
4. **Financial liability for beneficiaries requires strong diligence**, especially in contract drafting and monitoring third-party deliverables and compliance.
5. **Adaptability is essential** to navigate restrictive environments or or shifting on-the-ground conditions.



#HorizonEU



HORIZON EUROPE

THE EU RESEARCH & INNOVATION PROGRAMME

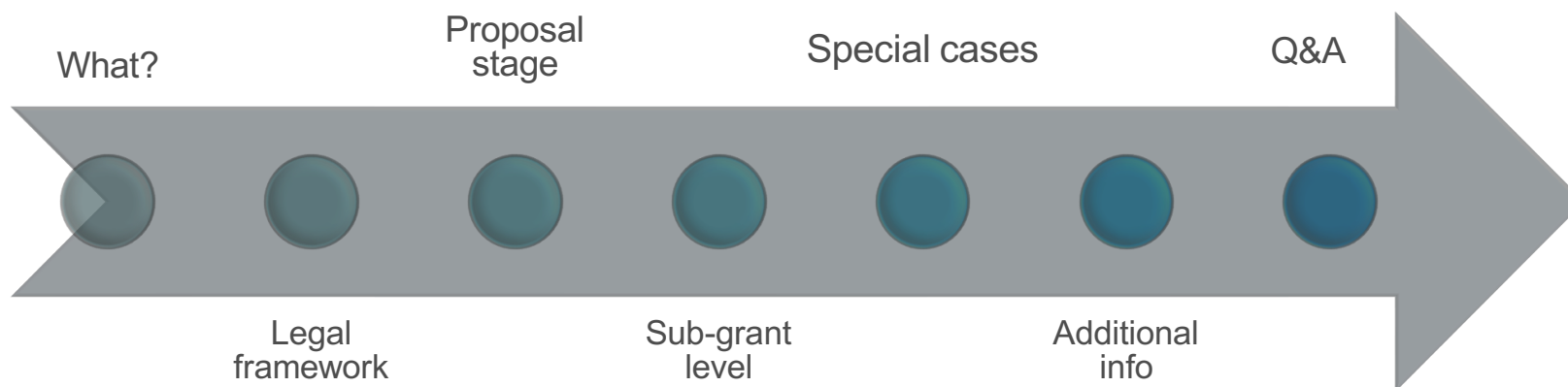
2021 – 2027

Financial support to third parties
Best practices
Common Legal Support Service (CLSS)



Research and
Innovation

Overview



FINANCIAL SUPPORT TO THIRD PARTIES

What is it?



Disclaimer: Information not legally binding

FINANCIAL SUPPORT TO THIRD PARTIES

Legal Framework



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Legal Framework

Financial Regulation

2024/2509

- Article 207
- Article 209(4) - prizes

General Annexes

He Main WP

- General Annex B
- General Annex G

MGA

- Article 6.2.D.1
- Article 9.4
- Annex 5 – Specific Rules on Co-funded Partnerships

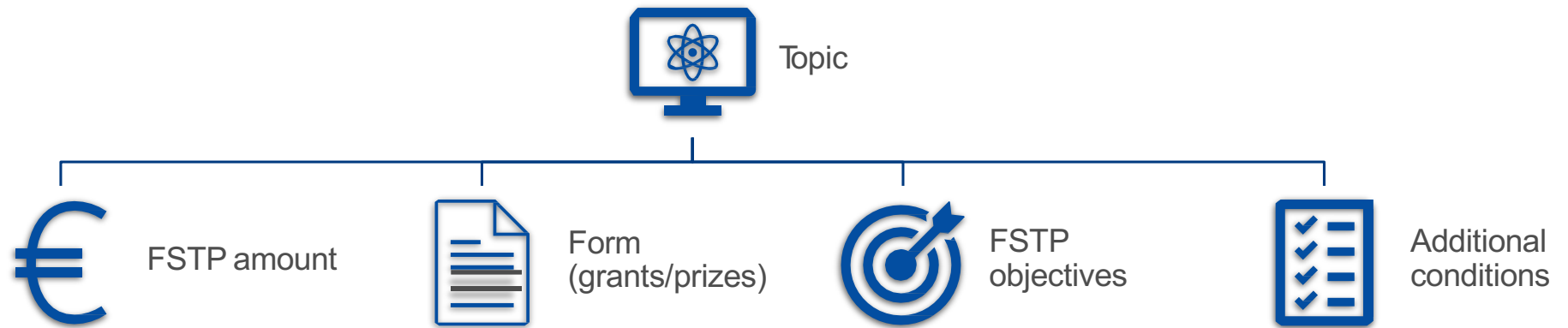
FINANCIAL SUPPORT TO THIRD PARTIES

At proposal stage



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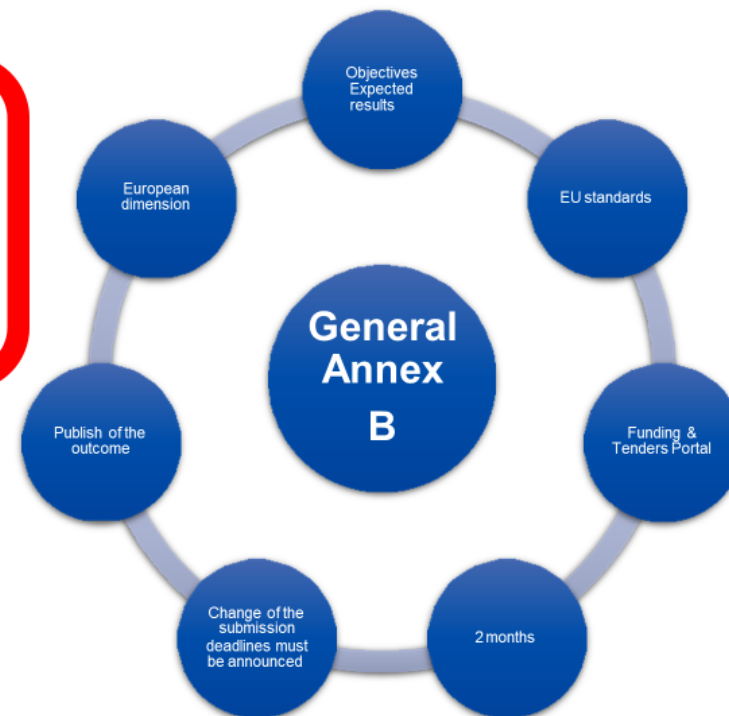
Where do I start?



- Normally **not more than 60 000 EUR per recipient**, unless a higher amount is necessary to achieve the objective of the action.
- A higher amount cannot be agreed with the granting authority if **not announced** in the call.

At proposal stage

- Applicants in principle will propose the **selection procedure** and **criteria** for providing FSTP
- Do not cascade down **complex rules** from the EU grant, unless explicitly required by the call conditions
- If the funding rate for the EU grant is below 100%, the difference must be **co-financed** (either through own resources or by finding other co-financers for the subgrants)
- In this case, **external financial support** cannot be declared as eligible FSTP cost of the beneficiaries.



At proposal stage – eligibility

Entities based in non-associated countries may receive financial support through FSTP calls, provided that the FSTP scheme, and in particular **the persons or categories of persons that may receive financial support**, complies with the conditions and specific rules enacted in the particular Work Programme in the call for proposals, and that it is not aimed at circumventing Horizon Europe funding rules.

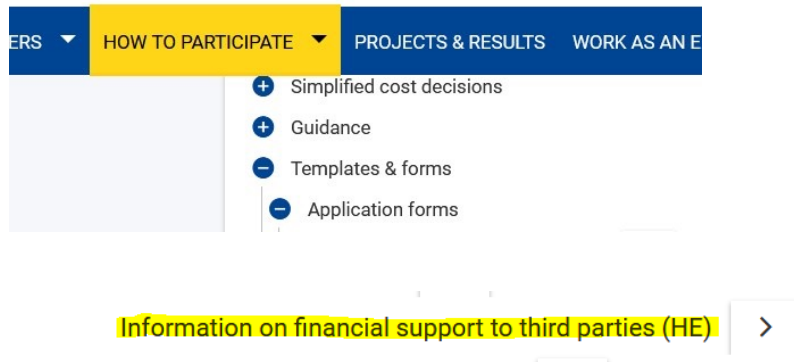
Applicants may propose at proposal stage that legal entities based in a non-associated third country are not eligible to receive FSTP.

At proposal stage

When the calls allow for FSTP, the applicants must add the **‘Information on financial support to third parties’ form** to their application.

Funding & tender opportunities

Single Electronic Data Interchange Area (SEDIA)

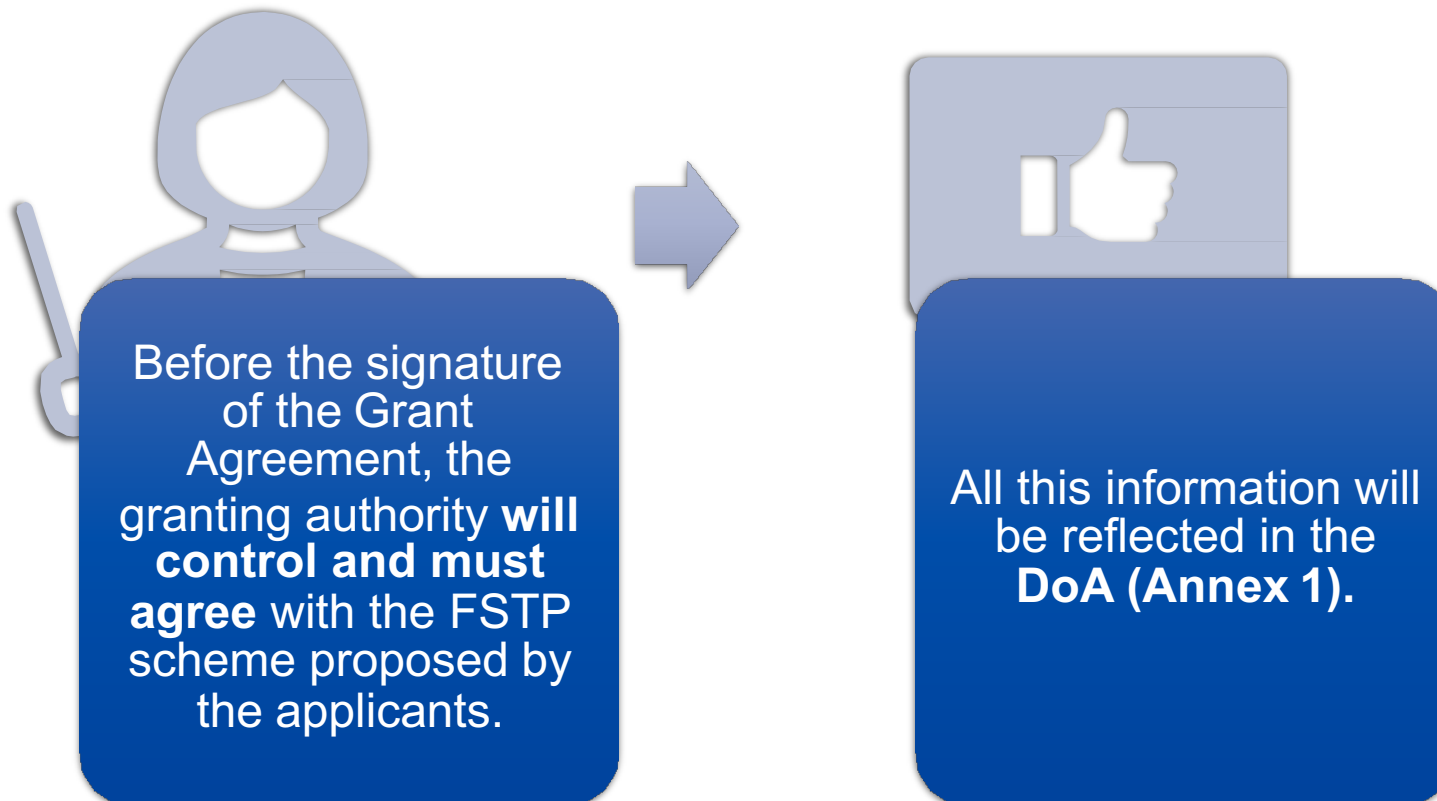


The screenshot shows a navigation menu with four main categories: 'ERS', 'HOW TO PARTICIPATE', 'PROJECTS & RESULTS', and 'WORK AS AN E'. The 'HOW TO PARTICIPATE' category is expanded, showing a list of sub-items: 'Simplified cost decisions', 'Guidance', 'Templates & forms', and 'Application forms'. Below this menu, a search bar contains the text 'Information on financial support to third parties (HE)' and a right-pointing arrow button.

2. contain the following specifications (as a minimum):

- a) the maximum amount of financial support for each third party; this amount may not exceed 60 000 EUR, unless explicitly mentioned in the Work Programme topic. If your project requires a higher amount per third party than the threshold amount set in the call conditions, justify and explain why this is necessary in order to fulfil your project's objectives.
- b) the criteria for calculating the exact amount of the financial support
- c) the different types of activity that qualify for financial support, on the basis of a closed list
- d) the persons or categories of persons that may receive financial support, and
- e) the criteria for giving financial support

At proposal stage



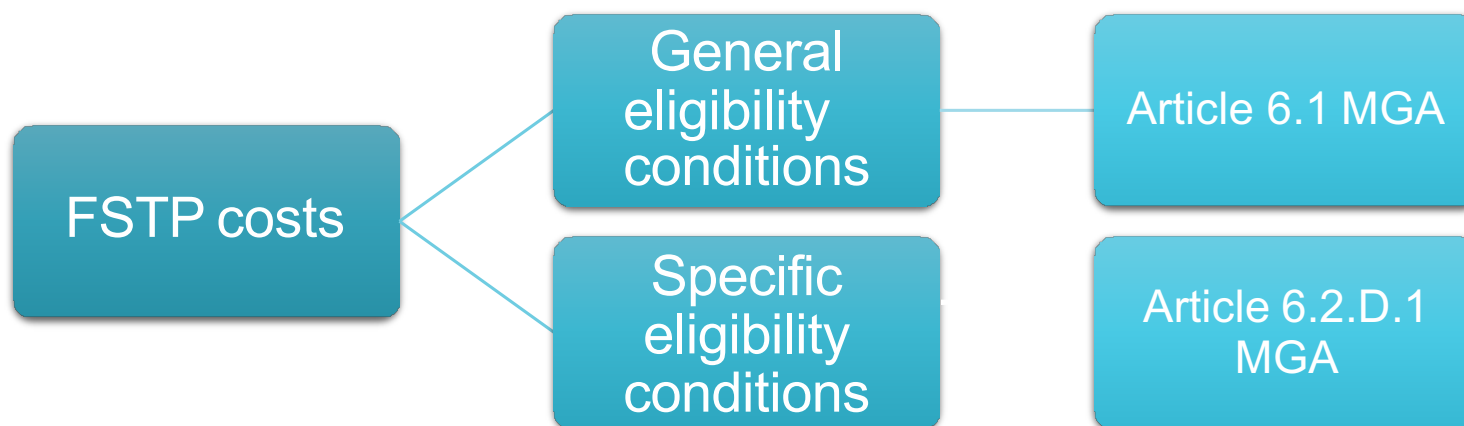
FINANCIAL SUPPORT TO THIRD PARTIES

What happens at Sub-grant level



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At sub-grant level - Eligibility of FSTP costs

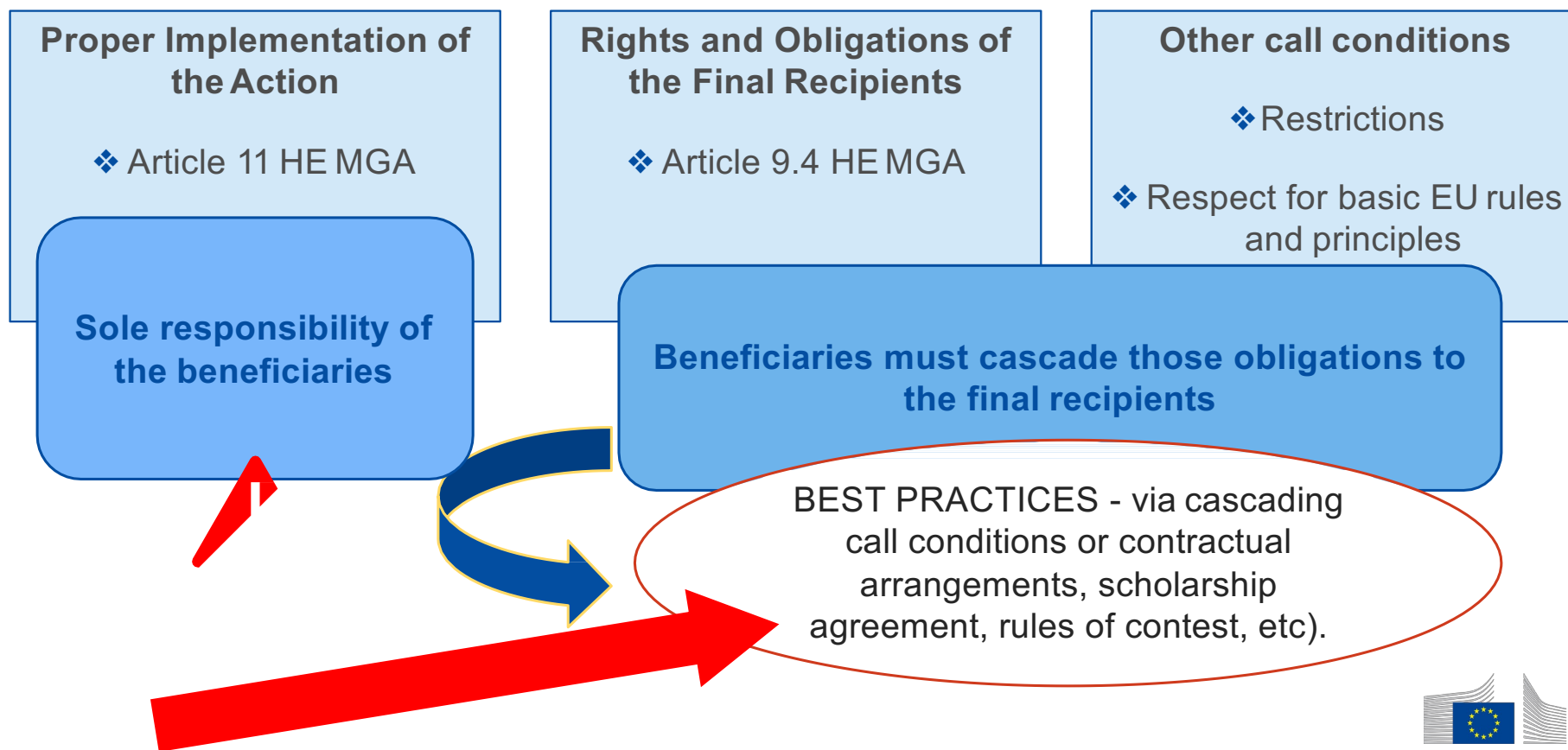


Article 6.2.D.1

- HE grants reimburse beneficiaries for the actual costs they have incurred.
- The support is implemented in accordance with the conditions set out in Annex 1.

→ These conditions must ensure objective and transparent selection procedures (and reflect those mentioned in the Financial Regulation Art 208)

At subgrant level – Where is the liability?



Open calls – What is essential?



Open, published widely and conform to EU standards concerning **transparency, equal treatment, conflict of interest and confidentiality**



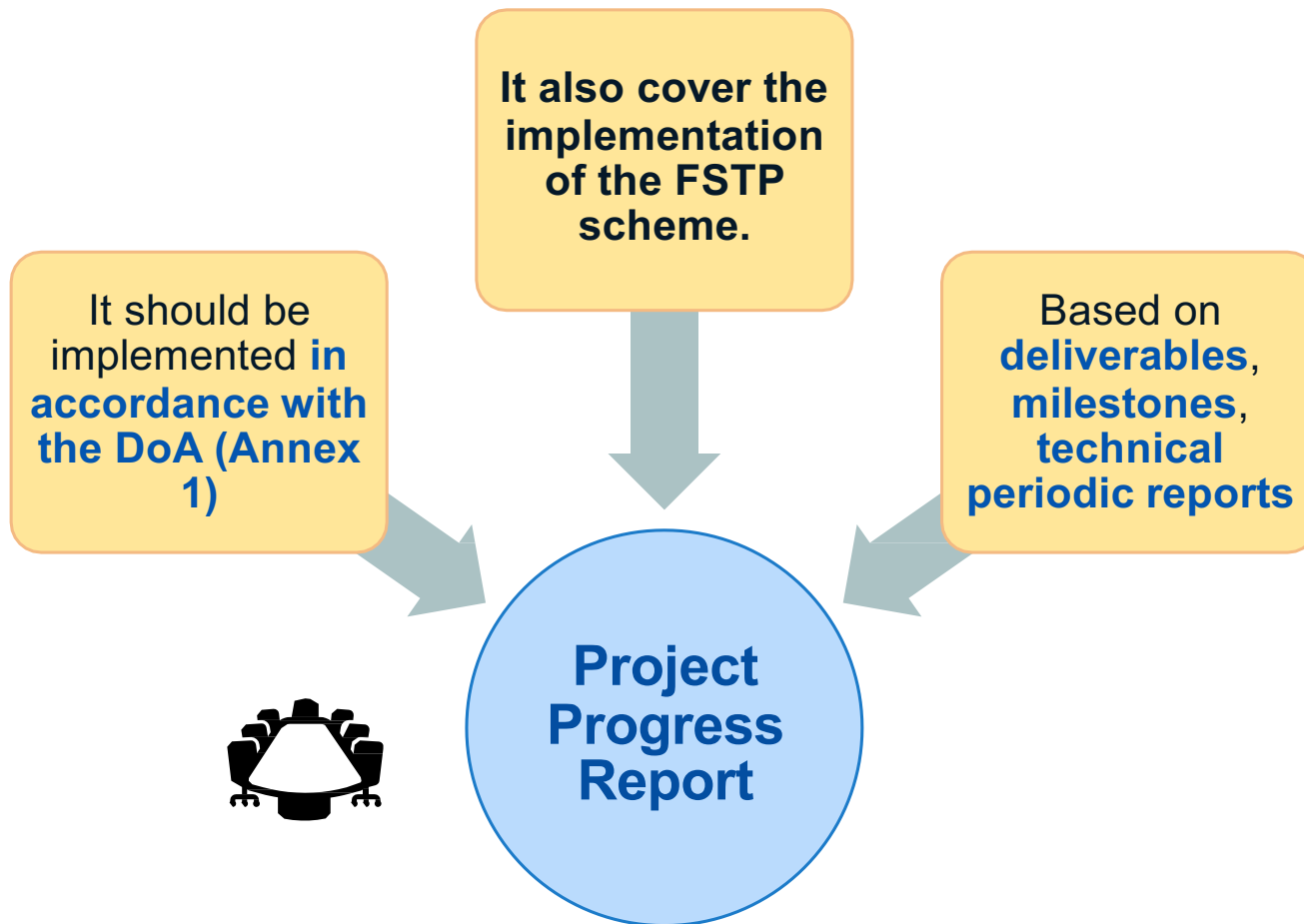
Published on the Funding & Tenders Portal, and on the participants' websites for minimum number of months




Description of the selected projects, **award dates, project durations, and final recipient legal names and countries**

Clear European Dimension

Reporting – What are the main obligations?



- 
- ✓ FSTP screen in the **Continuous Reporting module of the Portal Grant Management System** where the consortium must enter the details on the FSTP calls and selected recipients.

Reporting – What are the main obligations?



Periodic Reporting

Technical Report

❖ Who, What, When

- ✓ additional information on FSTP calls and selected recipients to be **encoded on the dedicated FSTP screen**

Financial Report

- ❖ **Cost eligibility** rules check
- ❖ Cost declared in **Category D1**

Checks, Reviews, Audits – What are the conditions?

Checks/Reviews

- Can be **both on the financial reporting and on the proper implementation** of the work plan
- Controls will **take place at the level of the EU grant/EU beneficiary**, and they will have to be able to demonstrate that the FSTP was implemented in line with the EU grant agreement

Audits/OLAF

- EU audits or investigations can however **also extend to the FSTP recipients to be submitted at the end of each reporting period.**
- The audit/investigation will be conducted with the recipient, but then turn to the beneficiaries for follow-up

In case you have evidence of fraud or serious irregularities by one of your recipients, liaise with the EU project officer or directly to the EU Anti-fraud Office (OLAF).

Record Keeping – What is needed?



Beneficiaries must keep **proper documentation on your usual practices and procedures**, including documentation on the **financial and technical implementation of the FSTP**



For **financial costs records on the amounts spent** (both on the amounts charged as **FSTP under cost category D.1** itself and the other eligible costs charged under other cost categories)



For the **technical implementation** any document linked to the FSTP scheme: **open call, communications with final recipients, evaluation of the open calls, sub-contracts signed, proof of payment and deliverables.**

FINANCIAL SUPPORT TO THIRD PARTIES

Special cases



Amendments – What shall be expected?



Amendments



Budget Flexibility



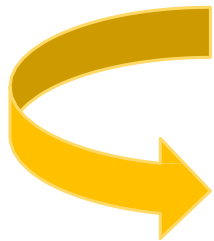
Cannot be retroactive



Open calls and subgrants cannot be affected



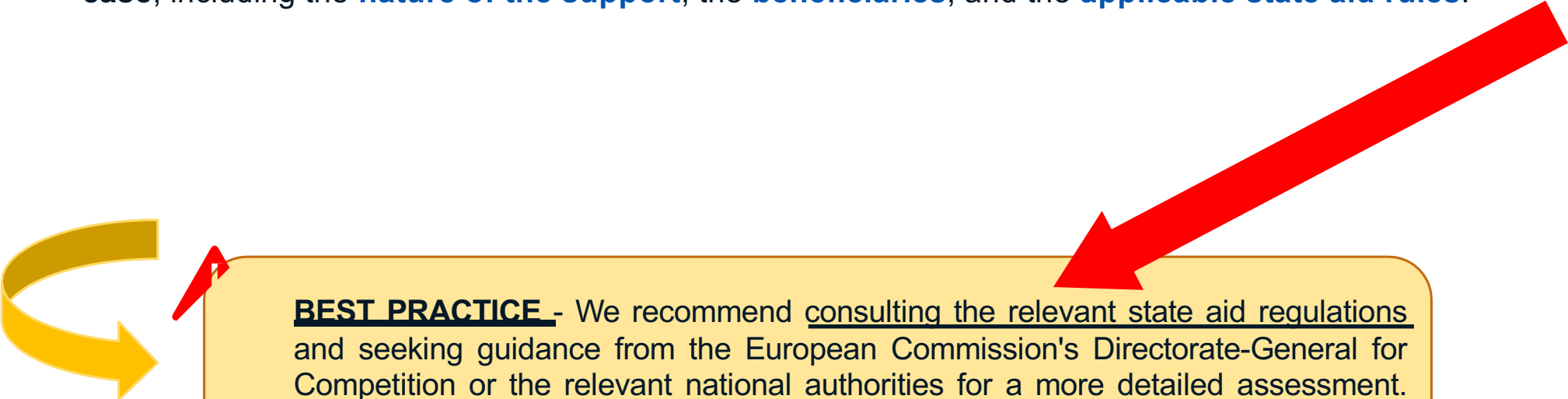
Consortium composition must be respected



Unless the change implies a transfer from the FSTP budget category to another category that will be considered a significant change requiring an amendment (see AGA — Annotated Grant Agreement, art. 5.5).

FSTP and State aid – How to assess it?

The classification of FSTP as State aid would depend on the specific circumstances of each case, including the **nature of the support**, the **beneficiaries**, and the **applicable state aid rules**.



BEST PRACTICE - We recommend consulting the relevant state aid regulations and seeking guidance from the European Commission's Directorate-General for Competition or the relevant national authorities for a more detailed assessment. You may also find this document useful: [Communication from the Commission: Framework for State aid for research and development and innovation.](#)

Co-Funded Partnerships

Annex 5 - Specific rules on Co-funded Partnerships

- Annex 5 of the HEU Model Grant Agreement contains specific rules for implementing Co-funded Partnerships.
- **mandatory conditions** for implementing Financial Support to Third Parties and / or financial support through implementing partners.

See [page 416 of the Annotated Grant Agreement](#) for more details.



Avoid conflict of interest



Transparency, non-discrimination & sound financial management



Types of activities and categories of person



Selection process and use of the standard Horizon Europe award criteria



Proper governance and oversight

FINANCIAL SUPPORT TO THIRD PARTIES

Guidance on Good Practices for Implementing FSTP in EU Grants

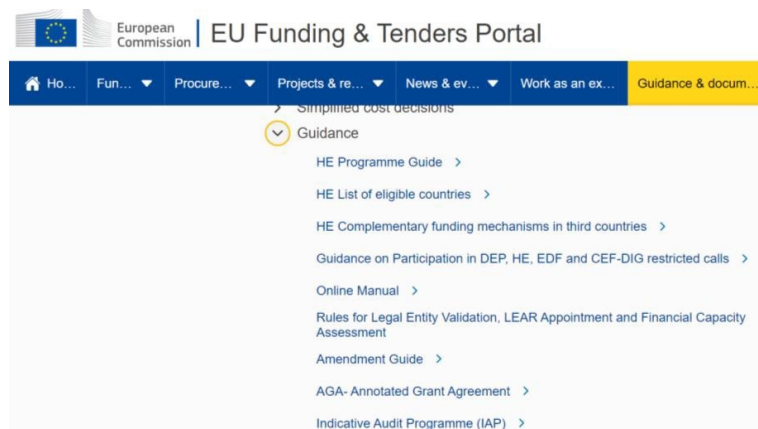
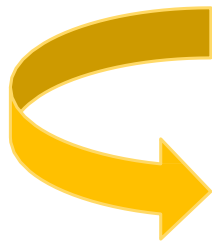


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Guidance on Good Practices for Implementing FSTP in EU Grants

[PUBLISHED IN THE FUNDING & TENDERS PORTAL – 15 JUNE 2025](#)

- ✓ Aims at clarifying the conditions to provide FSTP as well as assisting beneficiaries in designing their FSTP scheme.
 - ✓ Shares **best practices, specific examples and templates reflecting past experiences in the use of FSTP**
- If you don't have your own standard **templates**, the **guidance in appendices 1-6** may be helpful.



Good to keep in mind

When preparing FSTP scheme:

- **WP/call text:** align with all the requirements set in the WP.
- **objectives** and **methodology** of your project
- **Clarity:** clear wording will make it easier for both the evaluators and the future sub-call evaluators
- **Best practice:** contact the responsible Project Officer



#HorizonEU



HORIZON EUROPE



**THE EU RESEARCH
& INNOVATION
PROGRAMME**

2021 – 2027

**LUMP SUM FUNDING IN
HORIZON EUROPE**



EUROPEAN COMMISSION, DG RTD
Common Implementation Centre
28 November 2025

Research and
Innovation

Lump sums – state of play

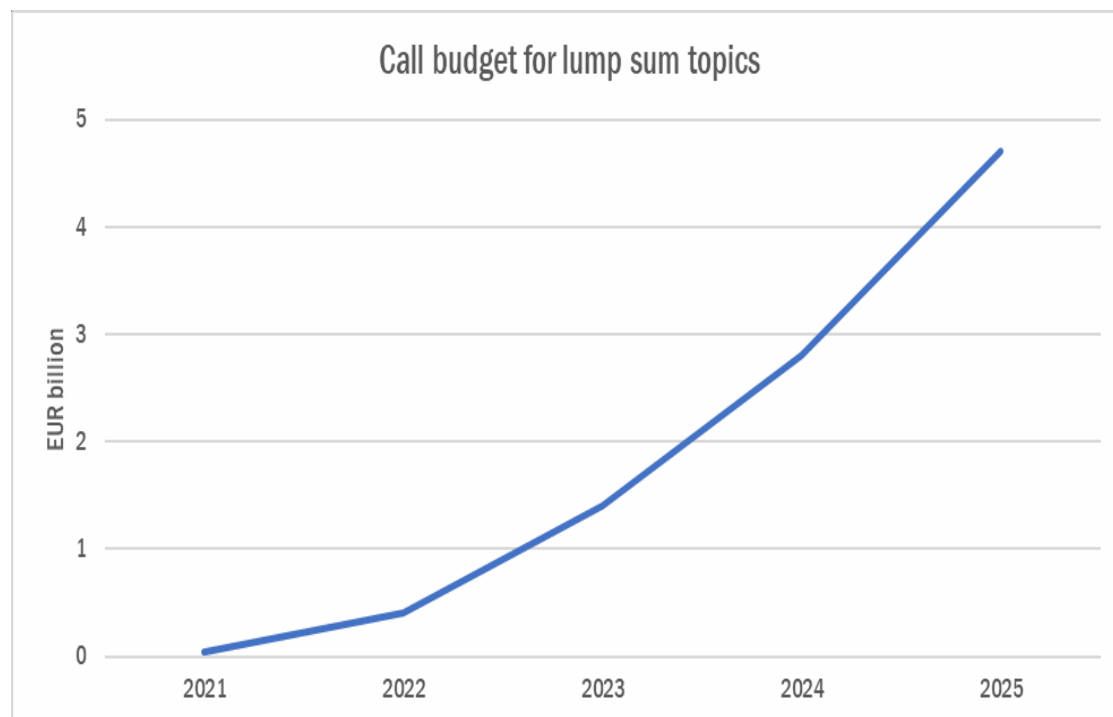
Horizon 2020 + Horizon Europe

Situation on 1 Oct 2025

- 21 000 proposals received
- 2 700 grants signed
- EUR 4.8 billion committed
- EUR 0.5 billion paid
- 960 projects completed

Lump sum share in work programmes

- Strong growth since 2021
- 50% share in 2026/2027
- Lump sums by default from 2028, exceptions possible (EC proposal)



Lump sums – updates

- Integration of the detailed lump sum budget in the online submission system: pilot in Dec 2025; roll-out in 2026

Addresses many problems of the Excel template (e.g. no double entry of data, no inconsistency between different proposal parts, no issues with macros, etc.)

- Latest implementation data shows no evidence for a higher financial risk for lump sums

While a significant number of lump sums are reduced at evaluation and final payment, the resulting financial situation is very similar to that under actual costs.

Most lump sum grants are paid in full, and the average level of reimbursement is ~99% of the amount requested in the proposal.

Records for FSTP – lump sum grants

- No documentation on the costs incurred for the FSTP
- Same documentation as for all grants regarding the **technical implementation** of the FSTP activities, such as:

- Call publication and selection process
- Contracts/agreements with recipients (if any)
- Proof of payments (from the beneficiary to the third parties)
- Deliverables or other proof that the activities for which the financial support was given were fulfilled (if the FSTP is linked to specific activities)

Project design – Work packages

Work package distribution



As many as needed but no more than what is manageable

A work package (WP) is a major sub-division of the work plan of the project.

- A single activity is not a WP
- A single task is not a WP
- A % of progress is not a WP (e.g. 50 % of the tests)
- A lapse of time is generally not a WP (e.g. activities of year 1)

Work packages with a long duration **may** be split along the reporting periods (e.g., Management, Dissemination and Exploitation, etc.). In this way, the relevant activities can be paid at the end of the reporting period.

Resources available

- One dedicated [lump sum page](#) on the Funding & Tenders Portal with all the necessary information:
 - Guidance & reference documents
 - Upcoming and past events
 - Assessment studies
- Next lump sum webinar will be on 12 February 2026:
[Lump Sum Funding in Horizon Europe: How does it work?
How to write a lump sum proposal? \(12 February 2026\)](#)



HE Audits: Common errors overview

November 2025



THE EU RESEARCH & INNOVATION PROGRAMME **2021 – 2027**



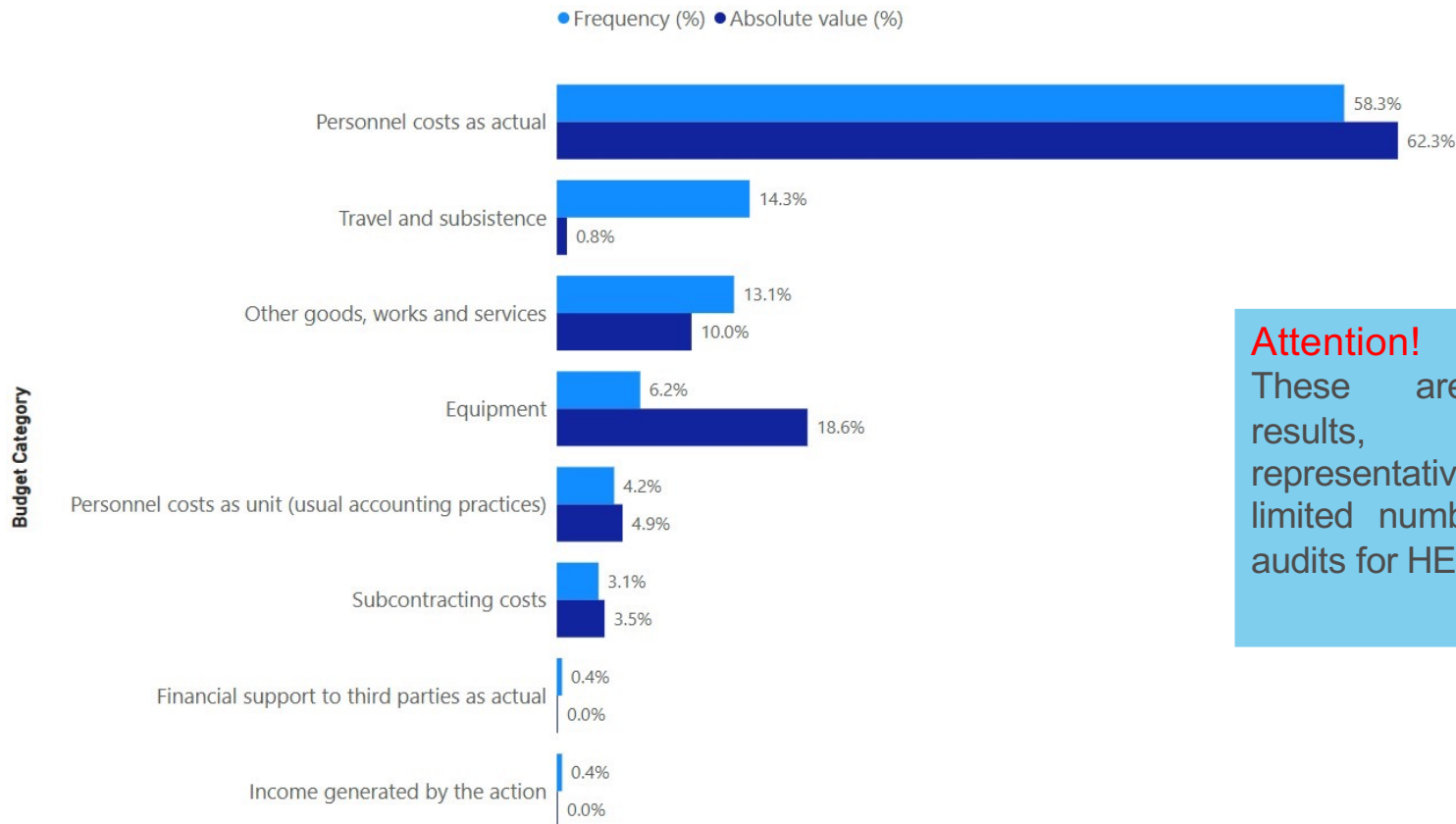
Agenda

1. Error typologies
2. Frequent audit findings in personnel costs
3. CFS and Ex post Audits
4. Q&A



Error Typologies

Budget categories most affected by errors in Horizon Europe



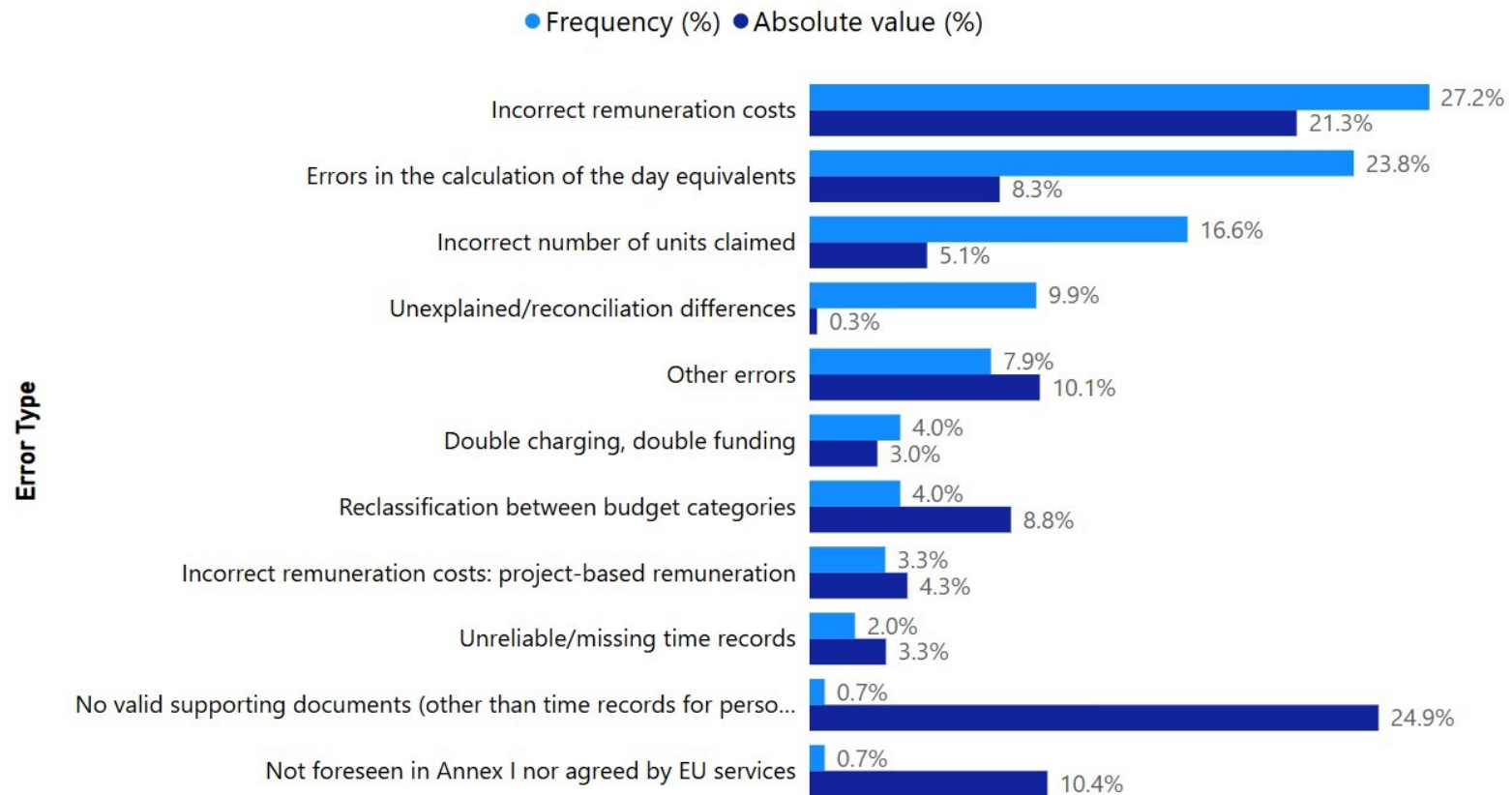
Attention!

These are preliminary results, not yet representative due to the limited number of finalised audits for HE.

4
6

Disclaimer: information not legally binding

Most common error typologies: personnel costs as actual



4
7

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Frequent audit findings – Personnel costs



Incorrect
Remuneration
costs

Daily rate per full
calendar year and
not RP

Using H2020 rules
(LastClosedFinancialYear)

Errors in the
calculation of
day- equivalents

Rounding rule not
followed

Max declarable day-
equivalents not
based in 215

Wrong conversion
hours to day-
equivalents

Errors related to
the time claimed

TRS not or partially
compliant

Differences between
the time claimed
and the TRS



Example – Daily rate calculation



What they wanted to do

Daily rate for each calendar year within the reporting period

RP: 01/06/2022 – 30/11/2023

What they did

$$2022: \frac{\text{Remuneration costs Jan–Dec 2022}}{215 \text{ days}}$$

$$2023: \frac{\text{Remuneration costs Jan–Nov 2023}}{(215/12) \times 11}$$



What they should have done

$$2022: \frac{\text{Remuneration costs June–Dec 2022}}{(215/12) \times 7}$$

$$2023: \frac{\text{Remuneration costs Jan–Nov 2023}}{(215/12) \times 11}$$

4
9

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Example – Rounding rule

What is wrong in this table?



‘You will round up or down to the nearest half-day equivalent’

Costs declared by the beneficiary		
Daily rate	Days	Total direct personnel costs
800,00	36,25	29 000,00
850,00	41,63	35 381,25
259,97	14,50	3 769,57
272,24	33,63	9 154,07
304,43	25,00	7 610,75
286,15	96,88	27 720,78

Costs accepted		
Daily rate	Days	Total direct personnel costs
800,00	36,50	29 200,00
850,00	41,50	35 275,00
259,97	14,50	3 769,57
272,24	33,50	9 120,04
304,43	25,00	7 610,75
286,15	97,00	27 756,55

50

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Example – Daily rate calculation

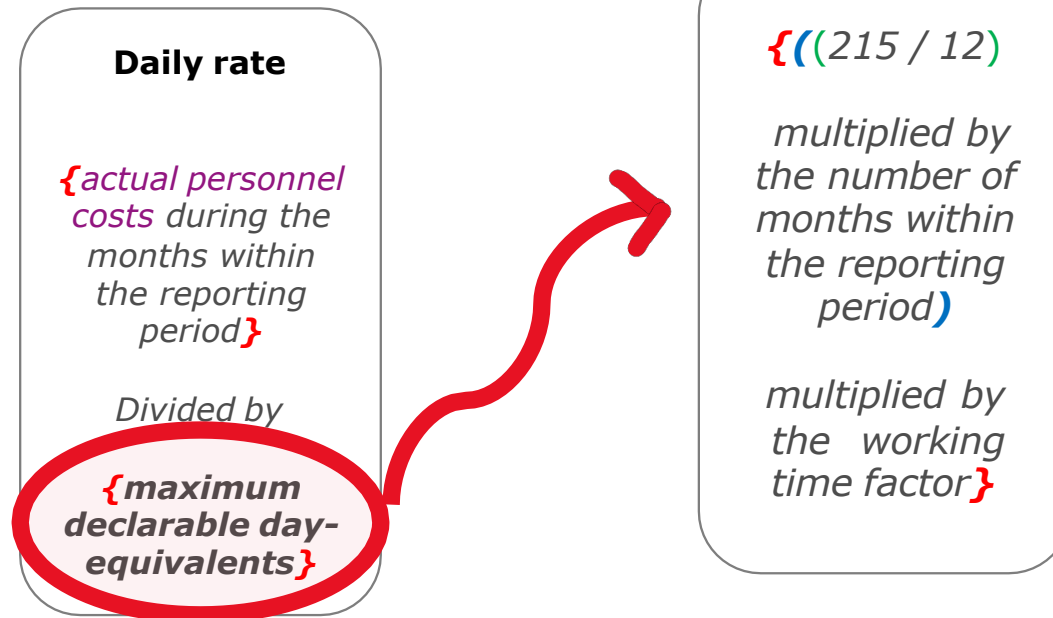
What is wrong with this statement?



'We calculate a daily rate by dividing the remuneration costs over our "standard productive hours" which we converted to days by dividing them over 8 working hours per day.'



5
1



Disclaimer: information not legally binding

Time Recording system not or partially compliant



- **Number of hours/days:** TRS (Time Recording System) unreliable → Obtain **alternative evidence**.
- **Other elements:** TRS has deficiencies → possible to obtain additional assurance if beneficiary provides **additional evidence**.

Example: Time Recording system (1)



Merger with another company



Alternative evidence

What?

How was it assessed?

Result?

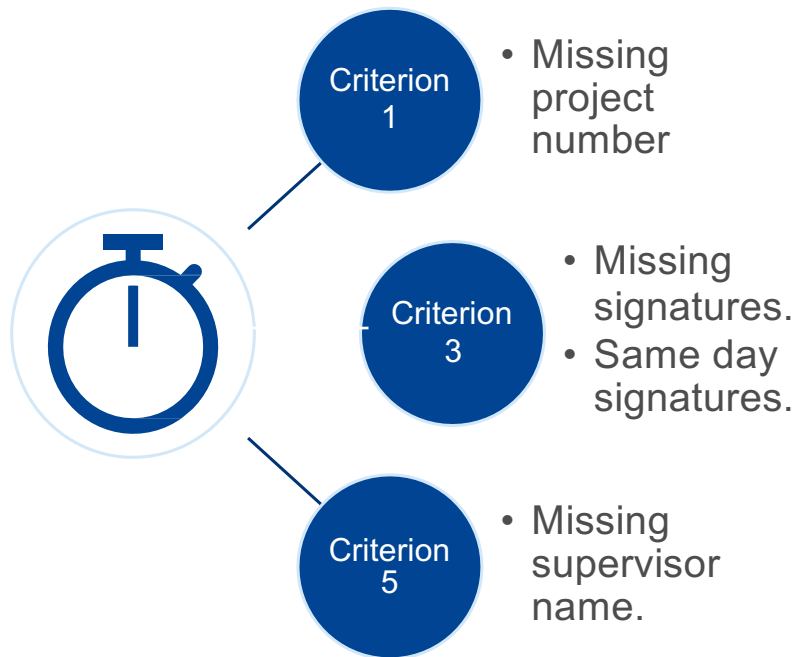
Email exchanges, calendars showing meetings scheduled, meeting agendas, presentations, deliverables and Beneficiary's calculation of time spent on these activities and explanation of how was the time calculated.

Annotations to Article 20 of the GA:

- identification of the person concerned;
- link to the project;
- Possibility to quantify time.

Only some of the time claimed was justified and accepted

Example: Time Recording system (2)



Additional evidence

- Interviews with project managers.
- Interviews with staff members.
- Procedure to create projects in the TRS and their internal codes.
- Project internal code list
- Emails with specific reference to project activities and deliverables.
- Review of project management tools monitoring deadlines, milestones, responsibilities and activities.

Result?

Time claimed was justified and accepted.

Certificate on financial statements (CFS)



HIGHER THRESHOLD

- **EUR 430 000** (increased from EUR 325 000 in H2020).
- CFS to be submitted at **payment of the balance.**



SIMPLER CALCULATION BASE

Requested EU contribution calculated on all costs declared (not only actual costs and unit costs calculated in accordance with usual costs accounting practices as in H2020).



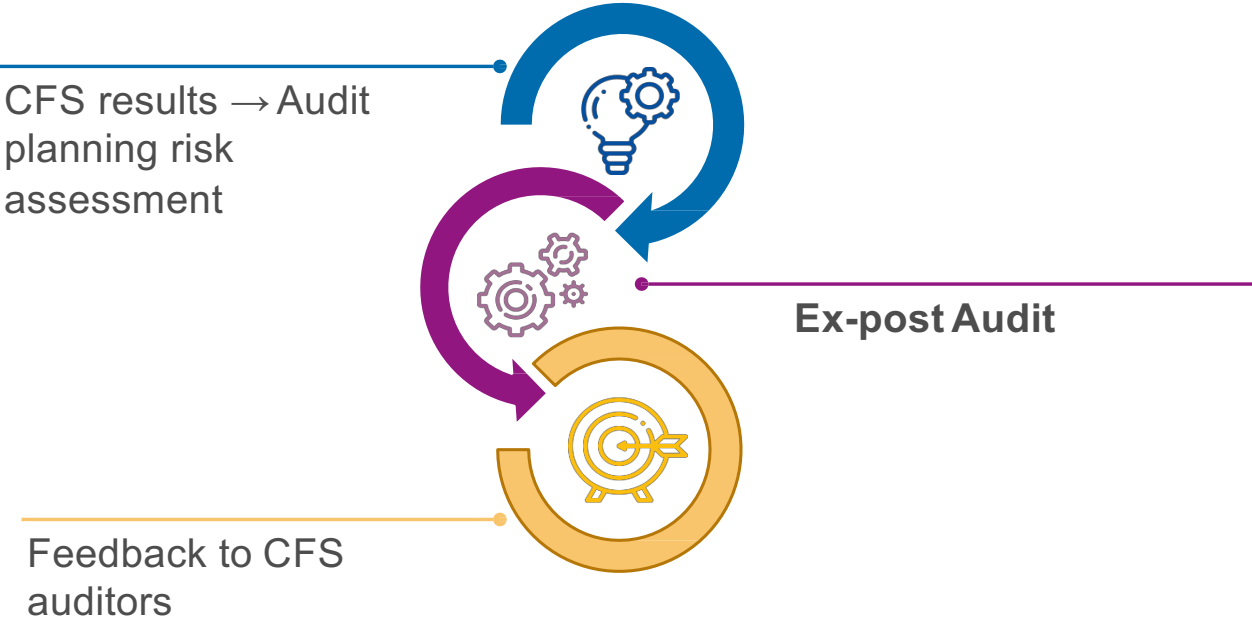
LESS CFS FOR LOW-RISK BENEFICIARIES WITH SPA

For **beneficiaries with a low-risk classification** after a **SPA** the threshold will increase to **EUR 725 000** (from EUR 430 000)








CFS and Ex-Post Audits

Agreed upon procedures (AUP)  Audit – Assurance engagement



FURTHER TOPICS HE LEGAL NCP 28.11.2025

-  20251128_NCP meeting security appraisal_final.pptx
-  F&T mobile_app_final.pdf
-  HE ethics_appraisal_final.pdf
-  HE Evaluation process Consens+Panel phases_final.pptx
-  Practical uptake of the project results_final.pptx

EVENT DESCA

- **When?** save the date **10th March 2026, approx. 9.30-16.00 pm CET**
- **Where?** **Wien HdF, Austria**
- **Registration?** January
- **Further information?** event homepage to be published soon
- **Language: IN GERMAN ONLY!**

Information & Support

FURTHER INFORMATION (EC)

- **Annotated Model Grant Agreement Horizon Europe (AGA):** annotated version of the MGA
https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf
- **Model Grant Agreement Horizon Europe (MGA):** model grant agreement with the EC
https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/agr-contr/general-mga_horizon-euratom_en.pdf
- **Personnel unit cost-Wizard:**
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/horizon/personnel-unit-costs/unit-cost-wizard>
- **Template audit certificate „personnel unit cost“:**
https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/temp-form/lev/personnel-unit-cost-audit-certificate_en.docx
- **Online Manual for Horizon Europe:**
<https://webgate.ec.europa.eu/funding-tenders-opportunities/display/OM/Online+Manual>

FURTHER INFORMATION – HELPDESKS & NATIONAL CONTACT POINTS

- **Research Enquiry Service** (Enquiries about Horizon 2020 and Horizon Europe):
https://research-and-innovation.ec.europa.eu/contact-us/research-enquiry-service_en
- **National Contact Points of FFG:**
<https://www.ffg.at/europa/ncp>

YOUR FEEDBACK MATTERS!

Feedback and comments please via
legal_heu@ffg.at