

NEIL RAMSAY
FINANCE OFFICER
CENTRE FOR ECOLOGY & HYDROLOGY
EDINBURGH
NATURAL ENVIRONMENT RESEARCH COUNCIL

**THE FC MODEL – APOLOGIES AND
EXPERIENCES.**

DESTINATION – FP7

- One model – FC, real indirect costs.
- (FCF) – flat rate % available (costly?)
- RCUK – moving towards full funding, currently 80% reimbursement of FEC.
- AC to FC, internal accounting implications, ‘Simplification’? Discussion & opinion.
- Current FP6 FC practice similar – following slides illustrate considerations.

FP6 & CURRENT FUNDING

- FC, 06/07 overhead 105% on staff.
- Comparatively high recovery - identification (&UK)
- Reporting (Partner)

	Joint Programme of Activities (A)		Of which Management of the Consortium	
	Contractor	Third Party(ies)	Contractor	Third Party(ies)
Direct costs	51528.62		6306.81	
<i>Of which subcontracting</i>	0		0	
Indirect costs	17582.96		5945.50	
Adjustments to previous period(s)				
Total costs	69,111.58		12,252.31	

What???

- Recovery of overhead (staff basis);
- Infrastructure + Council + Notionals + 'Non Productive' = A big number
- Divided by earning science wage (CR+SB)
 - 'non productive' = recovery on staff.
- Chosen to use 3 years – last, current, next
 - minimised subjectivity.
- Still confused?

Identification

<http://www.unimib.it/upload/RZ%20Milano%202022%20Nov%202006%20FIN.pdf>

Costs must be actual; incurred during the project; determined according to the usual accounting and management practices and *used only to achieve project objectives*; consistent with principles of economy, efficiency and effectiveness; recorded in accounts and paid; exclusive of non-eligible costs.

Towards FEC recovery – Identify & Quantify.
Easier said than done?

Conclusions

- RIP AC
- Overhead required (FCF); Identify, Quantify (real), Calculate (earning staff), Report.
- FP6 reporting unchallenging with good finance systems in place – sustainable accounting, accurate marginal & absorption available. Wider benefits.

THANK YOU

QUESTIONS?