

# ITEA Contribution rules 2016

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According to Article VII.1 of the ITEA 2 and the ITEA 3 Frame Agreements, all costs covered by the approved ITEA budget will be borne by all ITEA Partners. This document describes the detailed ITEA contribution rules for 2016 as approved by the ITEA Board in its meeting of 2 December 2015.

## Responsibilities

1. The technical contacts of the project partners are responsible for providing the correct planned cost figures on the ITEA Community website, for their respective organisations and according to their respective national funding contracts (if any).
2. The project leader is responsible for submitting a Change Request (CR) before the next invoice round in the case where project partners have indicated that they have revised the planned cost figures.
3. The ITEA Office is responsible for calculating and invoicing the **contribution** to be paid by each ITEA partner.
4. The ITEA Board is responsible for determining and approving the contribution rules and the annual **ITEA contribution rate**.

## ITEA Contribution 2016

1. For 2016, the ITEA contribution due per partner is 1.2 % of the 2016 planned cost for that partner as specified in the latest Full Project Proposal.
2. Exempted from contribution in 2016 are:
  - a. participating universities (only applicable for ITEA 2 projects);
  - b. partners for whom public funding has been rejected;
  - c. partners that decided to participate at own costs without applying for public funding for 2016.

## Invoicing procedure

1. The ITEA Office invoices the annual contribution for each partner in ITEA in advance in two six-monthly instalments: the first half (50%) of the annual contribution in January and the second half (50%) of the annual contribution in July. In specific cases invoices may also be issued later during the second half of the year.
2. Project leaders will be informed at least one month before invoicing so that a Change Request (CR) can be proposed. Each project partner will be informed individually about the exact amount of the invoice in order to be able to report changes to the project leader or to request Purchase Orders if needed.
3. Changes to planned costs are taken into account only if reported to the ITEA Office via a formal Change Request (CR). Planned costs for a year may only be changed until 31 March of the subsequent year, and are only considered if a Change Request is submitted before 1 April of the subsequent year. Please note that if a funding approval has to be renewed during the project duration, the invoicing will continue based on the figures defined in the latest Full Project Proposal.

4. No credit notes will be issued after invoicing to correct changes in costs; corrections will be made in the next invoicing round: partners are due to pay the invoices they receive. For exceptional circumstances only, a credit note may be requested and considered.
5. Exceptions:
  - No invoice will be issued before project start or before funding has been approved by the relevant Public Authorities.
  - If a project finishes in the first half of the year only one full (100%) annual contribution invoice will be issued.
6. Each contribution invoice consists of:
  - a full or 50% instalment of the annual contribution;
  - a possible correction for the contribution due up to the current invoice period reflecting the latest Full Project Proposal.

## Frequently asked questions

### Questions:

1. Why do ITEA partners need to pay fees?
2. What binds partners to actually pay these fees?
3. What happens if a partner does not pay its fees?
4. Can you explain the figures we have on our invoice? To what exactly is the contribution rate applied?
5. What should we actually report in the costs section, on the Community website?
6. Why are invoices based on planned costs?
7. Can we change our total costs?
8. We indicated in the latest progress report (review) that we have underspent, and we provided our exact spent figures. Why do we have to report this again online?
9. We have received a draft invoice that we cannot accept, as the figures are wrong. What should we do to receive an invoice with the correct data?
10. We have not updated our figures of last year and Q1 has passed: what is the consequence?
11. We have updated our figures of last year but the consortium could not submit the CR in Q1: are all updates lost?
12. What happens if our CR with updated costs is not accepted in time?
13. What happens if our CR with updated costs is rejected just before the final invoices are sent?
14. We provided our updated costs in due time, but the CR has not been submitted in time. Why should we pay an invoice containing incorrect data when we have provided the correct data on the Community website?
15. Can we know the exact amount of fees that we will have to pay for the whole project?
16. We have only received funding for the first (second) half of the year: what should we do?
17. Our funding suddenly stopped: do we still have to pay the ITEA fees?
18. It is the final invoice, but the reported figures are wrong. How can it be corrected?
19. We have received an invoice, but we stepped out of the project: why should we pay?
20. The project has started, but our funding decision is not yet known. Do we have to pay fees?
21. The funding decision for our organisation is known to be positive, but we haven't yet started contributing as we haven't yet received the actual contracts. Do we have to pay fees?
22. Our project has started, but we need to set up a considerable CR as the project has drastically changed since the FPP submission. This will take some time: can we thus postpone the invoices?
23. We are a research organisation; do we need to pay the ITEA contribution fee?
24. We are in a very specific case which doesn't fit in any of the above questions: what should we do?

## Answers:

Answers as detailed below are directly derived from the ITEA Rules & Regulations.

1. Why do ITEA partners need to pay fees?
  - ITEA is a non-profit association: the operational costs for running the ITEA Programmes are paid through an annual contribution by the public funded participants of the Programmes. To ensure financial balance, the annual budget and contribution rules are approved by the ITEA Board.
  - The ITEA operation costs include the management of the Calls (opening, evaluation, monitoring, etc.), the support to projects, the ICT (public and Community websites), communication (organisation of events like the PO Days, promotional events, support to project dissemination, e.g. through magazine articles, etc.), etc.
2. What binds partners to actually pay these fees?
  - Companies from the ITEA Board have signed the ITEA Frame Agreement, which binds them to these invoicing rules.
  - Other project partners are due to sign a Declaration of Acceptance (DoA) as a pre-requisite for participating in an ITEA project. This DoA binds them to these invoicing rules.
3. What happens if a partner does not pay its fees?
  - Not abiding by the ITEA Rules & Regulations, including these invoicing rules, can lead to exclusion from the ITEA Programmes.
  - The ITEA Office manages its debtors (when due fees are not paid despite reminders) like any other organisation and may resort to legal measures where appropriate in extreme cases.
4. Can you explain the figures we have on our invoice? To what exactly is the contribution rate applied?
  - For a first semester (resp. second semester), the fees to be paid correspond to the contribution rate applied on half of the planned costs of the current year for the considered organisation. The considered planned costs are taken from the latest submitted FPP (from the latest CR, or the initial FPP if there has not been any CR). We do not manage semester-specific costs: we simply divide equally the total annual costs to both semesters.
  - If applicable, corrections of the past planned costs are taken into account in the invoices, when these corrections are submitted via a CR.
  - Invoices are considered individually per project.
5. What should we actually report in the costs section, on the Community website?
  - The costs to be reported should correspond with the eligible costs as defined by your Public Authorities and as indicated in your national contracts for funding. Changes in costs (and effort) should only be done through the Community website, on the project page. Invoices are based on the planned costs.
  - If in doubts, the provided figures can be checked by the ITEA Office with the respective Public Authorities.
6. Why are invoices based on planned costs?
  - The invoices are based on planned costs and not on the spent costs, in order to ensure the sustainability of the ITEA Organisation, through consistency and predictability of the financial balance.
7. Can we change our total costs?
  - Changes in total costs / effort data in a Change Request can only be approved in cases like the following examples:

- as a result of agreed national funding decisions;
  - as a result of a strategic change agreed in the consortium;
  - based on new insights affecting the planning data for the future work in the project.
- In addition to one of the above, there may be shifts in costs / effort from one year to the next (such shifts may or may not be the reason to enter a Change Request – that is up to the consortium to decide).
  - Changes in total costs that are not justified or do not fit one of these rules may be rejected.
  - NB: If partners add self-funded costs on top of what was agreed in the national contracts, then they do not need to report these added costs to the ITEA Office.
8. We indicated in the latest progress report (resp. review) that we have underspent, and we provided our exact spent figures. Why do we have to report this again online?
- Invoices are based on planned costs, not on spent costs: you thus do not need to report online spent cost figures.
  - Data provided for progress reports and reviews is exclusively used for monitoring and support purposes: it is not used for administrative tasks. Online data updated for a progress report will, however, be considered in any forthcoming CR, but filling in that data does not imply nor replace the submission of a CR.
  - The ITEA Office requests consortia to submit a Change Request for any administrative change so as to ensure that the data provided is checked and confirmed by the project leader: the submission of the CR is considered an official validation of such changes.
9. We have received a draft invoice that we cannot accept, as the figures are wrong. What should we do to receive an invoice with the correct data?
- Update the online data in order to provide correct figures, and get in touch with your project leader so as to ensure (s)he submits a CR in due time.
  - Even if the CR cannot be submitted in time, you are due to pay the invoices you receive: a correction will anyway take place in the next invoice round, which will take into account the CR that the consortium will be able to submit in the meantime.
10. We have not updated our figures of last year and Q1 has passed: what is the consequence?
- Figures of a given year can only be updated until the end of Q1 of the following year, and the corresponding CR has to be submitted by then. Once this deadline has passed, the fields can no longer be edited and the figures of the previous year will be reset to the values of the latest accepted version of the FPP (incl. CRs).
  - In exceptional cases (e.g. the project has not yet started and partners forgot to update the online data), a formal request might be sent to the ITEA Office, in order to update the past figures. It is, however, the responsibility of project partners to update the online data in due time: such formal requests might be rejected.
11. We have updated our figures of last year but the consortium could not submit the CR in Q1: are all updates lost?
- If the Q1 deadline passes without any CR submission, then past figures are reset to the values they had in the latest accepted version of the FPP and can no longer be changed.
  - Invoices are based on planned costs, not on spent costs.
12. What happens if our CR with updated costs is not accepted in time?
- The ITEA Office does not request Change Requests to be accepted for the submitted data to be considered as official: invoices are based on figures as provided in the latest submitted version of the FPP.
  - However, if your CR that updates past cost figures is rejected, you have only three months to resubmit an updated CR with these updated figures. If this second CR were to be rejected

again, you would lose the updates, as past figures would be reset to figures from the latest accepted version of the FPP, and would become non-editable.

13. What happens if our CR with updated costs is rejected just before the final invoices are sent?
  - A rejected CR is discarded when considering the latest version of the FPP. As a consequence, the updated costs cannot be considered in the final invoices. However, the consortium can claim a three-month deadline extension to resubmit a new CR with the same updated costs that could be considered in the corrections of the next invoice.
  - As future invoices can correct any over- or under-spend on invoices, partners are still due to pay the invoices they receive.
  
14. We provided our updated costs in due time, but the CR has not been submitted in time. Why should we pay an invoice containing incorrect data when we have provided the correct data on the Community website?
  - The online data can be updated at any moment, which means it cannot be considered by the ITEA Office as a reliable source of information: as long as no Change Request is submitted, any change to the online data is still considered as a draft only.
  - If no CR is submitted, planned costs of past years are reset to the values of the latest accepted version of the FPP. To compensate for the missing update on past figures, you can still update the figures of current and upcoming years.
  - As future invoices can correct any over- or under-spend on invoices, partners are still due to pay the invoices they receive.
  
15. Can we know the exact amount of fees that we will have to pay for the whole project?
  - You can make a good approximation of the total fees you will have to pay for the whole project despite not knowing the exact total.
  - Before each invoice round each partner receives a detailed invoice specification per project. You can use this specification to predict the future invoices.
  - The total fees you will have to pay correspond to the annual contribution rate applied to the costs over each project year, as defined in the last validated version of the FPP.
  - The contribution rate is defined and approved each year by the ITEA Board. For many years the contribution rate has been kept stable at 1.1% of the annual costs, but this is not a guarantee for the future.
  - As a consequence, the total fees that will have to be paid depend on potential evolutions of the contribution rate, as well as of the annual costs of your organisation.
  
16. We have only received funding for the first (resp. second) half of the year: what should we do?
  - We only manage funding on an annual (not monthly) basis, so fees apply to the costs of all years in which funding has been granted. On the other hand, partners are exempted from ITEA fees for all the years in which no funding has been received.
  - In some exceptional cases (e.g. funding has only been for a couple of months), partners may consider shifting the costs & effort of the funded months to the adjacent funded year, in order to avoid invoices on a year with almost no budget while ensuring fees correspond with the exact figures of the national contracts. Such cases should be justified to the ITEA Office when submitting the related CR.
  
17. Our funding suddenly stopped: do we still have to pay the ITEA fees?
  - Partners still have to pay fees for any year covered by the national funding contracts. However, partners whose funding has stopped are exempted from fees for all subsequent years (as long as no new funding contracts are signed).
  
18. It is the final invoice, but the reported figures are wrong. How can it be corrected?

- Partners can submit a CR until the project closure date has passed. Changes to total costs need to be justified and can potentially be rejected (see question 7). If a CR is accepted, which reduces the total due fees to below what has already been invoiced, then a credit note will be issued.
19. We have received an invoice, but we stepped out of the project: why should we pay?
- A partner is due to pay the invoices for the periods in which it has been active in the project.
  - For a partner that has withdrawn without ever contributing, no fee will be requested. You just have to ensure that you are deactivated from the project (you can deactivate yourself by editing your partner page).
  - If you are withdrawing during the lifetime of a project (i.e. after having contributed), you have to nullify the costs & effort for the forthcoming years (and update those of the current year, if relevant) and request the project leader to submit a CR to make these changes official.
  - If the CR is not submitted in due time, you are still due to pay the invoices you will receive. However, a correction (e.g. a credit note) will be applied in the invoice round following the submission of the CR.
20. The project has started, but our funding decision is not yet known. Do we have to pay fees?
- No. Partners who are not yet funded should not yet receive invoices. If you receive an invoice in such a case, please contact the ITEA Office and explain that your funding decision is not yet known.
21. The funding decision for our organisation is known to be positive, but we haven't yet started contributing as we haven't yet received the actual contracts. Do we have to pay fees?
- Fees apply to all funded partners, and as the funding decision is known, it thus applies to your organisation. Fees are computed on the costs of the forthcoming semester, and we expect the contracts to be made official soon.
  - As future invoices can correct any over- or under-spend on invoices, partners are still due to pay the invoices they receive.
22. Our project has started, but we need to set up a considerable CR as the project has drastically changed since the FPP submission. This will take some time: can we thus postpone the invoices?
- In exceptional cases, please contact the ITEA Office. Please note, however, that it is the responsibility of the project by default to submit the CR in due time – a clear justification on why a postponement is requested should therefore be provided, and there is no guarantee that the request will be accepted.
  - If the postponement is not granted, as corrections are possible at the invoice round following the submission of the CR, partners are still due to pay the invoices they receive.
23. We are a research organisation; do we need to pay the ITEA contribution fee?
- In ITEA 2 universities are exempted from paying the ITEA contribution fee. Research institutes that are not part of a university are obliged to pay the ITEA contribution fee. Considered as universities are all organisations that deliver state-recognised academic diplomas; being linked to a university, e.g. by hosting PhDs or researchers from a university, is thus not a sufficient condition to be considered as a university.
  - In ITEA 3 all funded partners are obliged to pay the ITEA contribution fee.
24. We are in a very specific case which doesn't fit in any of the above questions: what should we do?
- Please contact the ITEA Office.

## References

1. ITEA 2 Frame Agreement – Version 8, 25 November 2005
2. ITEA 3 Frame Agreement – Version V, 2 July 2013