

## Explanation of the terms used throughout this document

### **COST Member Country**

Any country that was a founding member of the COST Intergovernmental Framework or joined COST as a full member following the approval of the Statutes of the COST Association. COST Member Countries are: Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Montenegro, The Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the former Yugoslav Republic of Macedonia.

These countries govern COST via their representatives in the COST Committee of Senior Officials (CSO) - the General Assembly of the COST Association.

### **COST Cooperating State**

Any country that has been approved by the CSO to participate in COST and its governance but has no voting rights within the CSO. The COST Cooperating State is: Israel.

### **COST Country / COST Countries**

Are consolidated terms used interchangeably in this document for the purpose of enabling the country categories of COST Member Country and COST Cooperating State to be used collectively.

### **Action Memorandum of Understanding (MoU)**

The agreement accepted by a minimum of five different COST Member Countries and / or Cooperating State describing the Action objectives and the added value of networking. This document has to be accepted by any additional COST Member Country and / or Cooperating State joining the Action. The MoU has, as a technical annex, core elements of the proposal submitted in the frame of the Open Call.

### **Participating COST Countries**

COST Member Countries and / or Cooperating State that have accepted the Action's MoU.

### **COST Near Neighbour Countries (NNC)**

Countries approved by the CSO to benefit from dedicated support for the integration of their researchers in COST activities.

### **Approved NNC institution**

An institution located in a NNC whose participation in an Action has been approved in accordance with the relevant COST rules.

### **EU Agencies**

Any organisation governed by European public law, with its own legal personality, established in the EU to accomplish specific tasks of a legal, technical and/or scientific nature in a given policy field and to support the EU Member States but distinct from the EU institutions.

### **European RTD Organisation**

Any intergovernmental scientific research organisation that is responsible for infrastructures and laboratories whose members are countries, and the majority of which are COST Member Countries or Cooperating State.



## **International Organisation**

Any organisation with a European or international membership, scope or presence, with its own legal personality, governed by international public law or recognised to have value in promoting scientific and technological cooperation, which should contribute to the fulfilment of the COST Mission.

## **International Partner Countries (IPC)**

All those countries that are neither COST Member Countries / Cooperating State nor are they COST NNC.

## **Approved IPC institution**

An institution located in an IPC whose participation in an Action has been approved in accordance with the COST rules governing International Cooperation.

## **Early Career Investigator (ECI)**

A researcher within a time span of up to 8 years from the date they obtained their PhD/doctorate (full-time equivalent).

## **Action Participants**

Researchers, engineers or scholars who actively participate in a COST Action (MC Members, Working Group members etc.) including researchers from Participating COST Countries, approved NNC institutions, approved IPC institutions as well as those approved European Commission / EU agencies, European RTD Organisations and International Organisations.

## **Action Management Committee (MC) Members**

A group of researchers, engineers or scholars nominated by the COST National Coordinators (CNC), in charge of the coordination, implementation and management of an Action's activities as well as supervising the appropriate allocation and use of the COST funds with a view to achieving the Action's scientific and technological objectives.

## **Management Committee (MC)**

A group of researchers, engineers or scholars representing COST Member Countries and / or the COST Cooperating State that have accepted the MoU. They are in charge of the coordination, implementation, and management of an Action's activities as well as supervising the appropriate allocation and use of the COST funding with a view to achieving the Action's scientific and technological objectives. They are nominated by the COST National Coordinators.

## **Action Chair and Action Vice Chair**

Elected by written procedure or during a MC Meeting from amongst the Action's MC Members. The Action Chair is responsible for the coordination and implementation of the Action. The Action Vice Chair assists in these activities where requested to do so by the Action Chair and can substitute for the Action Chair when required or mandated to do so.

## **MC Observers**

A researcher, engineer or scholar observing a COST Action's coordination and decision-making process and activities on behalf of his/her institution of affiliation (approved NNC institutions, approved EU agencies, approved European RTD, approved International Organisation or approved IPC institutions).



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### **Action Participant**

Any researcher, engineer or scholar who actively participates in a COST Action.

### **Invited Speakers**

Specialists who are not Action Participants but can partake in one COST Action meeting and one Training School throughout the lifetime of the Action.

### **The Committee of Senior Officials (CSO)**

The main decision-making body of COST, responsible for the strategic development of COST. It formally approves new Actions following the conclusion of each Open Call procedure. Each COST Member Country can appoint up to two representatives to the CSO.

### **The Executive Board (EB) of the CSO**

Prepares for the CSO meetings and can make decisions on behalf of the CSO. The EB consists of the President and the Vice President of the CSO and at least five other delegates from the CSO.

### **COST National Coordinators (CNC)**

The individuals appointed by each COST Member Country and Cooperating State to coordinate and oversee the acceptance of Action Memorandum of Understandings. They are also in charge of the nomination process for their Management Committee Members as well as providing guidance, information and support to their national research communities.



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## 1. COST Actions

### 1.1. COST Action Overview

A COST Action is a science and technology network funded over a four-year duration requiring the participation of at least five COST Countries. An Action is organised through a range of networking tools aimed at supporting and ultimately achieving the scientific objectives set out in the Action's Memorandum of Understanding.

#### 1.1.1. First Management Committee (MC) Meeting

The date of the first MC Meeting of an Action marks the official start date of the Action. The First MC Meeting is always organised, administered and funded centrally by the COST Association administration and is usually held at the COST Association premises. Activities funded centrally by the COST Association are funded under what is known as the COST Centralised Management Funding Scheme (formerly titled: PAYG). The First MC Meeting must take place within the six month period following the approval of the Action by the CSO.

#### 1.1.2. COST Grant System (CGS)

During the first Management Committee Meeting, the Action MC must elect an established legal entity, of which one MC Member must hold an affiliation, to manage the COST Action under the tenets of the COST Grant System (CGS). The CGS requires that the elected legal entity, which becomes known as the Grant Holder, will administer the Action Grant by overseeing the financial and administrative management and the various coordination tasks required to successfully support the implementation of approved Action activities.

COST Action activities must be implemented in strict adherence to the terms and conditions contained within the designated COST Action Grant Agreement, signed between the COST Association and the Action Grant Holder. In order to ensure the objectivity and independence of any decision taken by Action stakeholders with respect to how the Action is managed, any potential conflict of interest must be avoided and / or declared to the COST Association in advance of any stakeholder engaging in activities that may represent or give rise to any such conflict of interest.

The COST Grant can only be used to support approved activities necessary for and dedicated to achieving the Action's objectives and / or supporting policies subjugated by the CSO. Action funds cannot be directly used for submitting research proposals for the purpose of acquiring funding for national, European or internationally sourced research grants.

Exceptionally, it is possible that well defined Action activities can be administered centrally by the COST Association under the COST Centralised Management Scheme. The COST Centralised Management Funding Scheme can only be considered on an ad-hoc basis and for a limited period only. Action activities operating under the COST Centralised Management Funding Scheme always require prior approval from the COST Association.

## 1.2. COST Action Participation

### 1.2.1. COST Country Participation

Action Participants whose primary affiliation is in an institution located in a COST Country can participate in a COST Action once their respective country has accepted the MoU of the respective Action.

Subject to MC approval, Action Participants can attend approved Meetings / Training Schools and partake in Short Term Scientific Meetings (STSM) and can be reimbursed in compliance with the eligibility rules detailed in Section 3, 4, 5 and 7 of this document.

When the period of 12 months has elapsed from the date the CSO approved an Action, the participation of additional COST Countries beyond this period is subject to formal approval of the MC of the Action.



### 1.2.2. Near Neighbour Countries (NNC) Participation

Action Participants affiliated to universities, research centres, companies or other relevant legal entities located in Near Neighbour Countries (NNC) may participate in a COST Action on the basis of the ascertained mutual benefit. The full list of NNC and the respective application and approval procedure is detailed in COST 132/14 (List) and 135/14 (Application and approval procedure). Participants affiliated to institutions formally approved onto the Action may be invited by the MC as an MC Observer (having no voting rights within the MC). MC Observers from NNC cannot be elected as an Action Chair / Vice Chair or as a Working Group Leader. The rules governing the eligibility for the reimbursement of participants from approved institutions located in NNC are detailed in Section 3, 4, 5 and 7 of this document.

### 1.2.3. International Partner Countries (IPC) Participation

Action Participants affiliated to universities, research centres, companies or other relevant legal entities located in International Partner Countries (IPC) may participate in a COST Action on the basis of ascertained mutual benefit. Researchers in approved institutions in IPC may be invited by the Action MC as an MC Observers (having no voting rights within the MC). MC Observers located in IPC cannot be elected as an Action Chair / Vice Chair or as a Working Group Leader. Additional information about IPC (definitions and the application / approval procedure) is detailed in COST 135/14. The rules governing the eligibility for the reimbursement of participants from approved institutions located in IPC are detailed in Section 3, 4, 5 and 7 of this document.

### 1.2.4. European Commission (EC) and EU Agencies

The European Commission and EU Agencies can nominate representatives to participate as MC Observers (having no voting rights within the MC). MC Observers from EC and from EU Agencies cannot be elected as an Action Chair / Vice Chair or as a Working Group Leader and cannot be reimbursed using COST funds unless there are special provisions introduced by the CSO. Additional information (definitions and the application / approval procedure) is detailed in COST 135/14.

### 1.2.5. European RTD Organisation

A European RTD Organisation may participate in a COST Action and can nominate representatives to participate as MC Observers (having no voting rights within the MC). MC Observers from European RTD Organisation cannot be elected as an Action Chair / Vice Chair or as a Working Group Leader. Action Participants from European RTD Organisations are eligible for reimbursement, unless there are special provisions decided by the CSO. Additional information (definitions and the application / approval procedure) is detailed in COST 135/14.

### 1.2.6. International Organisation

An International Organisation (IO) may participate in a COST Action and can nominate representatives to participate as MC Observers (having no voting rights within the MC). MC Observers from an IO cannot be elected as an Action Chair / Vice Chair or as a Working Group Leader. MC Observers from an approved IO cannot be reimbursed using COST funds unless there are special provisions introduced by the CSO.

## 1.3. COST Action Scientific Reporting

### 1.3.1. Action Monitoring and Final Assessment

The scientific progress of each COST Action will be assessed based on what is reported and substantiated in three distinct reports submitted by the Action:

- Progress Report 1 due at month 18 of the COST Action, the outcome of which will be taken into account when setting the budget and the Work and Budget Plan for the following Grant Period.
- Progress Report 2 due at month 36 of the COST Action, the outcome of which will be taken into account when setting the budget and the Work and Budget Plan for the final Grant Period.
- Final Achievement Report at the end of the Action.



## Action Rapporteur

An independent Action Rapporteur will be appointed by the COST Association and will prepare a Monitoring Report, after receipt of the Action's Progress Reports, and a Final Assessment Report, after receipt of the Action's Final Achievement Report.

The Action Rapporteur will perform progress reviews and the final assessment remotely. In cases, where progress reviews identify that an Action is at risk of not achieving the objectives detailed in its MoU then a meeting will be convened between the Action Chair, Vice Chair / Working Group leaders, the Action Rapporteur, the Action Administrative Officer and the Action Science Officer.

## Reporting templates

The templates for the Progress Reports / Final Achievement Report can be found at the COST Action Template Centre on the COST website - see <http://www.cost.eu/participate/networking>.

## Reporting deadlines

The Science Officer of each Action will contact each Action Chair to inform them of the deadlines for submitting their scientific reports. Any question regarding Action monitoring and the final assessment should be directed to the respective Action Science Officer.



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## 2. COST Action Management

### 2.1. First Management Committee (MC) Meeting

The date of the first MC Meeting of an Action marks the official start date of a COST Action. The First MC Meeting is always organised, administered and funded centrally by the COST Association and is usually held at the COST Association premises.

#### 2.1.1. Election of the Action Chair / Action Vice Chair / Election of the Grant Holder

During the first MC Meeting of the Action, the MC elects an Action Chair and Vice Chair from amongst its members by means of a simple majority vote. The Action Chair and Vice Chair must represent two different Participating COST Countries.

The role of the elected Action Chair has under its remit the following tasks and responsibilities:

1. Coordinate Action activities in line with the objectives defined in the Action MoU and the periodic Work and Budget Plans.
2. Convene and chair MC Meetings, including preparing the meeting agenda and validating the meeting minutes.
3. Manage requests and the approval procedure of institutions located in NNC and IPC who want to formally join the Action.
4. Manage the application procedure of COST Countries that want to join the Action one year after the date the CSO approved the COST Action has elapsed.
5. Prepare a Work and Budget Plan to be approved by both the MC and the Action Science Officer in line with the allocated budget.
6. Seek the approval of the MC and the Action Science Officer for significant changes to the approved Work and Budget Plan such as the cancellation of activities and / or the inclusion of additional activities that were not originally included in the approved Work and Budget Plan.
7. Where formal amendments to the approved Work and Budget Plan are necessary, the Action Chair must prepare a revised Work and Budget Plan which has to be formally approved by both the MC and the Action Science Officer.
8. Manage MC approvals / decisions concerning expenditure (for Meetings, Training Schools, Local Organiser Support, Short Term Scientific Missions, Dissemination and Publications) and communicate the outcome of MC approvals / decisions to the Grant Manager (see 2.2.1. below) and to the COST Association.
9. Define and communicate to the Grant Manager, on behalf of the MC, a list of all eligible Action Participants who are entitled to be reimbursed for their attendance at approved Meetings and Training Schools - this task must be assumed by the Action Vice Chair when the Action Chair is affiliated to the Grant Holder Institution.
10. Authorise payments (this task must be assumed by the Action Vice Chair when the Action Chair is affiliated to the Grant Holder Institution).
11. Review, approve, sign and date financial reports - this task must be assumed by the Action Vice Chair when the Action Chair is affiliated to the Grant Holder Institution.
12. Inform, upon request, the COST Association about key developments in the Action.

### 2.2. COST Grant System (CGS)

Once the first Management Committee Meeting has been concluded, the COST Action is then funded and implemented under the tenets of the COST Grant System (CGS).

#### 2.2.1. Selection of the Grant Holder

The CGS requires that an established legal entity, of which one of the MC Members must be affiliated to, is elected by the MC to oversee the financial management and the various coordination tasks required to successfully support the implementation of approved COST activities. The decision to elect the chosen Grant Holder must be recorded in the minutes of the respective MC Meeting or must be secured by written procedure (which is also known as an e-vote). This legal entity becomes known as the Grant Holder. The Grant Holder



must be a legal entity under national, international, public or private law. It cannot be an individual. The Grant Holder must ensure that all approved activities are implemented in line with MC decisions. Decisions must be made in accordance with the relevant set of COST Implementation Rules, the rules detailed in the COST Vademecum and the terms and conditions contained within the COST Action Grant Agreement.

When electing the Grant Holder, the MC must take into consideration the following criteria:

1. The administrative capacity of the Grant Holder to successfully manage the Grant (i.e. the ability of the Grant Holder to process reimbursements whilst complying with national / local fiscal rules).
2. The financial stability and medium term viability of the chosen Grant Holder Institution.
3. Any potential conflict of interest that could arise as a result of a proposed Institution becoming a Grant Holder.

The COST Association will assess the appropriateness and viability of each proposed Grant Holder institution and can request the official statutes and / or a statement of accounts of the given institution prior to the transference of the Grant. Any subsequent evaluation of the Grant Holder's performance by the COST Association may determine that the replacement of a specific Grant Holder is necessary. A change of Grant Holder requires formal approval by both the COST Association and the Action MC.

The Grant Holder is comprised of four key positions. Depending on the internal organisation of the Grant Holder, the same person can hold more than one position at a time. The four positions are as follows:

1. **Scientific Representative:** is the MC Member affiliated to the Grant Holder Institution. The Scientific Representative should attend MC Meetings and must be readily available to support the MC in monitoring the progress of the Action.

If the Scientific Representative position becomes vacant during an on-going Grant Period and no other MC Member or MC Substitute affiliated to the Grant Holder Institution is available to assume the position, one of the following two options are possible:

- the COST National Coordinator can nominate another researcher who is affiliated to the Grant Holder Institution to become a MC Member. In this case, the newly nominated researcher will become de facto the Scientific Representative.

Or

- the Grant Holder institution can appoint, as a temporary replacement, a member of staff to act as Scientific Representative until the end of the on-going Grant Period. When a researcher affiliated to the Grant Holder Institution is not nominated as a replacement MC Member at the end of the on-going Grant Period, a new Grant Holder has to be elected for the subsequent Grant Period by the MC in line with the considerations detailed above.

2. **Legal Representative:** is the person from the Grant Holder Institution who bears the legal authority to sign the COST Action Grant Agreement (e.g. the Rector of a University).
3. **Financial Representative:** is the person from the Grant Holder Institution who has the legal authority to financially commit the institution in question and to validate the expenses listed in financial reports.
4. **Grant Manager:** is the person working or affiliated to the Grant Holder Institution who is responsible for overseeing the administrative management of the COST Action and is the primary user of the e-COST Action management tool.

### 2.2.2. Grant Holder tasks and responsibilities

Prior to the commencement of the Action's activities, the elected Grant Holder institution will enter into a legally binding contractual agreement with the COST Association. The Grant Holder will perform and oversee the administrative tasks related to managing and coordinating approved COST Action activities. The Grant Holder





must perform these tasks in accordance with best practice financial and administrative standards, the COST Implementation Rules, the terms and conditions specified in the relevant signed Action Grant Agreement and the rules detailed in the COST Vademecum. If the Grant Holder cannot for any reason fulfil the aforementioned administrative tasks, the COST Association must be informed immediately. Otherwise, the COST Association can consider any significant delays or notable performance failures as non-fulfilment of contractual obligations.

### 1. Scientific Coordination tasks of the Grant Holder:

The Grant Holder must support the MC in the production of the required scientific reports for the proper implementation and evaluation of the Action (see Section 1.3).

### 2. Administrative tasks of the Grant Holder (Non-exhaustive list):

- preparation of documentation for meetings under the guidance of the Action Chair / Vice Chair (e.g. overseeing MC approvals, distributing agendas, issuing invitations, drafting minutes and ensuring that all eligible participants sign the relevant attendance lists etc.).
- coordinating Action meetings funded under the CGS - Please note that if the Grant Manager's participation in the approved activity is purely administrative (meaning that they are not a MC Member, MC Substitute, WG Member, STSM Grantee or Trainer / Trainee) then the associated expenses must be sourced from the FSAC and not from the scientific expenditure budget lines, unless the Grant Manager is explicitly working directly on research related activities.
- collecting and archiving supporting documents related to processing reimbursement claims and the associated payments.
- archiving all necessary MC decisions relating to the Action.

### 3. Financial tasks of the Grant Holder (Non-exhaustive list):

- ensure that all payments linked to approved COST Action activities are paid in line with MC approvals and eligibility criteria stipulated in the COST Vademecum. With respect to reimbursing Action Participants, the Grant Holder must process reimbursements within 30 calendar days after receiving the claimant's complete claim. In cases where advance payments are requested by participants and / or grantees, the Grant Holder assumes the financial risk associated with doing so. All payments related to COST activities must be finalised and recorded in e-COST only after all the administrative requirements have been satisfied.
- ensure the preparation and delivery of financial reports within the deadlines stipulated in the Action Grant Agreement.

The following financial reports must be submitted by the Grant holder:

- Intermediate Financial Report (IFR): the IFR is to be submitted when requesting the second (or third) payment. The IFR must be signed by hand in blue ink by the financial or legal representative of the Grant Holder. A scanned PDF document of the signed IFR can be submitted to the COST Association.
- Final Financial Report (FFR): the FFR is due within 60 calendar days from the end of each Grant Period. The expenses reported in the FFR must contain only finalised and paid claims. The FFR must be signed by hand in blue ink by the Financial or Legal Representative of the Grant Holder, and by the Action Chair (or Vice Chair if the Action Chair is affiliated to the Grant Holder Institution). The original signed FFR must be sent by post to the COST Association.

The COST Association cannot be held responsible for any erroneously encoded expenses or any type of discrepancy detailed on a submitted financial report. Should the COST Association identify non-eligible or questionable expenses contained within a submitted report, the respective Grant Holder will be duly notified. Such expenses will be removed from e-COST and an updated revised version of the report must be re-submitted to the COST Association for review. When financial reports submitted by the Grant Holder reveal discrepancies that are only identified after the Grant Period has been closed and / or in the event of an audit, the COST Association reserves the right to request the repayment of erroneously claimed funds.

#### 4. Dissemination and Publications tasks of the Grant Holder:

The Grant Holder must support the Action with the production of its publications and in monitoring the development and maintenance of the Action website.

##### 2.2.3. Financial Scientific and Administrative Coordination (FSAC)

The Financial, Scientific, Administration and Coordination (FSAC) budget line is a fixed percentage contribution afforded to the Grant Holder to support the execution of the administrative tasks relating to managing and coordinating scientific activities during a given Grant Period. The FSAC percentage, which can represent up to a maximum of 15% of the actual scientific expenditure, is defined in the approved Work and Budget Plan. At the end of each Grant Period, the applicable FSAC amount that can be afforded to the Grant Holder is calculated by applying the MC approved FSAC percentage against the eligible scientific expenditure incurred during the respective Grant Period.

When an Amendment to a Grant Agreement is necessary, a possible increase in the FSAC can be considered only if a valid justification is provided. The revised FSAC amount cannot exceed 15% of the amount allocated for scientific activities. The COST Association shall consider each request for an increase in FSAC on a case-by-case basis and will determine whether such an increase is justified and / or necessary.

### 2.3. COST Action Grant Agreement and Work and Budget Plan

For each approved COST Action, the COST Association and the Grant Holder must sign, in covenant, an Action Grant Agreement governing Grant Period's typically lasting 12 months.

For each Grant Period, the MC is required to plan, define and approve, in the guise of a Work and Budget Plan, the Action's scientific activities. Each Action has a designated budget amount which signifies the maximum financial contribution that will be provided by the COST Association for the given Grant Period. A COST Grant funds scientific activities under the following budget lines:

1. Meetings.
2. Training Schools.
3. Short Term Scientific Missions (STSM).
4. Dissemination activities and Publications.
5. Other Expenses Related to Scientific Activities (OERSA).

Budget lines 1-5 come under the collective heading: 'science expenditure'. The MC can rearrange the budget allocation for approved activities listed under 'science expenditure'.

6. Financial Scientific and Administrative Coordination tasks ((FSAC) - see Section 2.2.3.).

Budget line 6 is a fixed percentage contribution afforded to support Grant Holder's in administering and coordinating the approved scientific activities.

The scientific activities that can be performed throughout each Grant Period are captured in a Work and Budget Plan that must be approved by the Action Science Officer and by the MC before any scientific activities can commence. The Action's Science Officer must be promptly informed by the Action Chair when an approved activity has been cancelled. In addition, Science Officer approval is required to sanction the inclusion of additional activities that were not originally foreseen in the approved Work and Budget Plan. The approved Work and Budget Plan forms the Annex A to the Action Grant Agreement.

##### 2.3.1. COST Action Grant Agreement Amendment

An amendment to the Action Grant Agreement is mandatory when:

1. There is a change to the legal status of the Grant Holder.
2. A change of a Grant Period end date becomes necessary.
3. A change to the Action's budget is necessary (following the approval of a revised Work and Budget Plan that has been agreed by both the Action Science Officer and the Action's MC).



An amendment to the Action Grant Agreement should be signed by both the COST Association and the Grant Holder before the end date of the Grant Period.

## 2.4. Payment Modalities

Payment requests are linked to the financial reporting requirements specified within the respective Action Grant Agreement. It is essential that each Grant Holder and the respective Action's MC take all the necessary measures to meet their reporting requirements in line with the time frames specified in the Action Grant Agreement.

Grant payments are processed by instalments in EUR and can only be paid into the Grant Holder's institutional bank account. Grant payments cannot be paid into an individual's private bank account. Bank and / or currency related charges linked to Grant Holder Institutions receiving Grant payments are not eligible under the COST Grant System and must be borne by each respective Grant Holder Institution.

1. For the Action's first Grant Period, a first instalment of 65% of the allocated Grant amount is transferred to the Grant Holder only after the Grant Agreement has been signed by both parties. The payment of first instalments for all subsequent Grant Period's requires that Yearly Financial Reports (YFR) detailing eligible expenses for the preceding Grant Period must be validated by the COST Association before the associated transfer of funds can be made. If the entire Grant amount has been paid to a Grant Holder in any given Grant Period, then any underspend will be automatically deducted from the amount paid to the Grant Holder for the first instalment of the subsequent Grant Period.
2. For all Grant Periods, a second instalment concerning the allocated Grant amount can be made with the following considerations:
  - the amount to be paid must be coherent with the amounts stated on the Intermediate Financial Report (IFR) – typically, an amount of up to 35% of the allocated Grant amount can be requested;
  - the request for payment is to be submitted between month 6 and 8 of the relevant Grant Period.

Each Grant Holder can request less than the maximum permissible amount when requesting their second instalment. This may give rise for the need for a third instalment concerning a balance payment. A third instalment can only be processed after the submission and validation of an IFR or a YFR. This third payment option is subject to COST Association approval.

### 2.4.1. Returning unspent funds

The COST Association reserves the right to reclaim funds from the Grant Holder when:

1. There is an under-spend at the end of the last Grant Period of the Action.
2. There is an under-spend at the end of a Grant Period where a change of Grant Holder is required.
3. The non-fulfilment of the Grant Holder's contractual obligations and / or the non-performance of their tasks and responsibilities are discernible.

In any of the aforementioned scenarios, the Grant Holder has to provide the COST Association with a finalised Yearly Financial Report (YFR) in order to bring the respective Grant Period to an end. When the YFR has been validated by the COST Association and an under-spend is evident, the COST Association will request the repayment of the unspent funds.

## 2.5. Non-Fulfilment of Contractual Obligations or Mismanagement of Funds

Mismanagement of the allocated funds, non-fulfilment of the Grant Holder's contractual obligations and the non-performance of the tasks and responsibilities expected of the Grant Holder may lead to one or all of the following scenarios:

1. The suspension of all pending and / or future payments and the recovery of the amounts already paid.
2. The suspension or cancellation of the Action Grant Agreement.
3. A replacement of the Grant Holder.
4. Financial penalties may be incurred as specified in the relevant section of the signed Grant Agreement.



## 2.6. e-COST and Strong Authentication

It is compulsory that all Grant Holders use the online Action management tool: **e-COST** at <https://e-services.cost.eu>.

e-COST is a technical platform that enables participants to submit their reimbursement claims electronically and as such enables Grant Holders to monitor the participation status of invitees / attendees for any given activity. e-COST also provides a 'real time' budgetary overview of any activity that has been encoded and actioned on the platform.

Any Grant Holder can choose to simplify the online e-COST based reimbursement procedure by opting to use the 'Strong Authentication' feature. This feature is applicable to all types of Meetings and requires users to register 'one time passwords' similar to the additional security layers found on many online banking facilities. Once registered, eligible participants can complete and submit their Online Travel Reimbursement Request (OTRR) forms and the relevant supporting documentation entirely online. This removes the requirement of eligible participant to physically print out and sign their TRR forms by hand and for them to send their OTRR forms (and supporting documentation) to their Grant Holder by post.

Grant Holders can opt to activate the Strong Authentication feature by making a formal request to the COST Association at the following email address: [helpdesk@cost.eu](mailto:helpdesk@cost.eu). Each Grant Holder must first, however, check that the requirements linked to the feature do not contravene their institutions fiscal obligations with respect to archiving documentation.

Once the Strong Authentication feature functionality has been activated, participants will be prompted to complete the Strong Authentication online registration procedure when they access their invitation email for the ensuing meeting. On finalising the registration procedure, each eligible participant will then be able to complete the reimbursement procedure entirely online.

For Grant Holders opting to use the Strong Authentication feature, the original invoices / receipts / supporting documents must be kept by each claimant up to the end date of the audit timeframe specified in the Grant Agreement (see Article 7) signed between COST and the Grant Holder. All Grant Holders managing Actions that opt for the Strong Authentication feature must archive legible copies (electronic copies will suffice) of all OTRRs and of all of the supporting documentation (including MC approvals) related to Meetings up to the end date of the respective audit timeframe.

Grant Holders choosing not to opt for the Strong Authentication feature must archive original (signed by hand) OTRR forms submitted by all participants along with legible copies (electronic copies will suffice) of all supporting documentation (including MC approvals) related to Meetings up to the end date of the audit timeframe that is specified in the Action Grant Agreement (see Article 7) signed between COST and the Grant Holder.

## 2.7. Other Expenses Related to Scientific Activities

Other Expenses Related to Scientific Activities (OERSA) are currency related bank fees or charges incurred by the Grant Holder when processing the payment of eligible expenses. These fees must be evidenced by proof of payment showing the nature of the expenses and the amounts that have been incurred. Bank and / or currency related charges linked to Grant Holder Institutions receiving Grant payments are not eligible under the COST Grant System and must be borne by each respective Grant Holder Institution.

In exceptional circumstances, an Action may need to undertake activities that are outside the remit of the eligible expenses detailed in this document. In such cases, expenses can be claimed and classified under the OERSA category but only after explicit approval is sanctioned by the COST Association and before any such expense has been incurred.



## 2.8. General Non-Eligible Expenses under the COST Grant System (CGS)

1. Identifiable indirect and direct taxes and duties, including Value Added Tax (V.A.T.)

V.A.T. is not a fee and is a non-eligible expense under the CGS, irrespective of whether the Grant Holder institution is subject to pay V.A.T. or not. V.A.T. cannot be claimed nor can it be reimbursed and must be paid using sources other than COST funds.

Taxes normally applicable according to national law with respect to the reimbursement of flat rates or fixed grants are not to be considered under the CGS due to the nature of COST funds. COST is exclusively funded by European public money and travel, accommodation and meal reimbursements paid to eligible COST Action participants are not taxable and cannot be deducted from amounts due.

2. Provisions for possible future losses or charges and for doubtful debt.
3. Debt and debt service charges.
4. Exchange losses.
5. Expenses related to any interest or duties.
6. Unnecessary or ill-considered expenses.
7. Marketing, sales and distribution expenses not directly related to the Action.
8. Expenses incurred or reimbursed from other sources with respect of another project.
9. Exchange rate losses and expenses related to a return on capital.
10. Expenses linked to activities that do not have a clear and recognisable association with supporting COST activities.
11. Bank and / or currency related charges linked to Grant Holder Institution's receiving Grant payments.

The Grant Holder must consult the COST Association when there is doubt about the eligibility of any expense or activity being supported or funded under the COST Grant System.

