

Variable Fee and Invoice Rules

EPoSS, Inside and AENEAS are liable to pay a significant part of the operational costs of the KDT Joint Undertaking office for their activities to support the ECSEL and KDT projects.

For KDT JU this obligation is described in the Council of the European Union No. 2021/2085 (the “Single Basic Act” or “SBA”). For the ECSEL JU period, this obligation was described in the Council Regulation (EU) No. 561/2014 of 6 May 2014.

EPoSS finances its share of these costs through a contribution fee (called Variable Fee), paid by participants of ECSEL and KDT projects who are members of EPoSS and by those who have signed a Declaration of Assistance (DoA)* with EPoSS for the calls up to and including Call 2019.

(* In line with the new EU Financial Regulations, as of Call 2020, EPoSS will no longer accept new Declarations of Acceptance (DoA) for ECSEL projects. However, for ECSEL projects up to and including the 2019 Calls, participants can sign an ECSEL DoA.)

Each year, the General Assembly of EPoSS decides on the Variable Fee percentage. Therefore, this percentage may slightly differ per year. Since 2018, however, the percentage has not changed.

Please be aware that there are some differences between the invoice rules for KDT and for ECSEL projects. In the following, both are explained separately.

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KDT-JU projects

DoAs are not possible for KDT JU projects.

The EPoSS General Assembly has approved the following Variable Fee percentage for KDT JU projects:

Year	EPoSS member
2023	1,8 %

The Variable Fee for any project is invoiced in three installments, to be charged in successive years. The first invoice for the Variable Fee for KDT-JU projects will be issued in the first year immediately after the year in which the project has started. For the Call 2021 projects that are starting in the beginning of 2023, the first installment is invoiced in the second half of 2023.

The Variable Fee for any of the three installments for KDT JU projects is calculated with the following formula:

$$\frac{\left(\frac{1}{3}\right) \times \text{Funding of a Partner}}{\text{Industry Association Count}} \times \text{Variable Fee Percentage}$$

Funding of a partner	Maximum possible funding of the partner in the project (in €).
Maximum possible funding	The total of the maximum of funding that a KDT project participant may receive from the JU and the national funding authorities in the context of a KDT project, as specified for such KDT project participants in the relevant PAB decision.
Industry Association count	Number of industry associations affiliated with KDT JU (EPoSS, Inside, AENEAS) in which the partner is a member.
Variable Fee percentage	Variable Fee percentage for the financial year for EPoSS members.

Important remarks

- The formula states that if a partner is member of two, respectively three associations, the Variable Fee invoiced by EPoSS is charged for 1/2, respectively 1/3 of the funding amount for that instalment.
- Please note that in case a partner is member of multiple associations, this partner will receive invoices from each of the associations in which he is a member. Each association charges according to its own Variable Fee percentage.
- The invoices of the Variable Fee are addressed directly to the representatives of the partners in the project consortia.
- If a project partner becomes an EPoSS member during the project period, the partner is obliged to pay all Variable Fee invoices for active projects in which the partner participates for the entire duration of the project period, including previous years.

ECSEL-JU projects

The EPoSS General Assembly decided upon the following Variable Fee percentages:

Year	EPoSS member	DoA signer *
2022	1.8 %	--
2021	1.8 %	--
2020	1.8 %	--
2019	1.8 %	2.1
2018	1.8 %	2.1
2017	2.4 %	2.5 %
2016	2.9 %	3.0 %
2015	3.2%	3.3 %

(* In line with the new EU Financial Regulations, as of Call 2020, EPoSS will no longer accept new Declaration of Acceptances (DoA) for ECSEL projects. However, for ECSEL projects up to and including the 2019 Calls, participants can sign an ECSEL DoA.)

The Variable Fee for ECSEL projects is calculated using the following formula:

$$\frac{\left(\frac{\text{Time Year}}{\text{Time Project}}\right) \times \text{Funding of a Partner}}{\text{Industry Association Count}} \times \text{Variable Fee Percentage}$$

Time Year	In a given year, number of project days for the partner.
Time Project	Total duration of the project.
Funding of a partner	Maximum possible funding of the partner in the project (in €).
Maximum possible funding	The total of the maximum of funding that an ECSEL project participant may receive from the JU and the national funding authorities in the context of an ECSEL project, as specified for such ECSEL project participants in the relevant PAB decision.
Industry Association count	Number of industry associations affiliated with ECSEL (EPoSS, Inside, AENEAS) in which the partner is a member or signed a DoA with.
Variable Fee percentage	Variable Fee percentage for the year, based on membership or DoA.

ECSEL-JU projects – Example

Example for the calculation of the Variable Fee of partner A in an ECSEL project for year X:

$$\frac{\left(\frac{120 \text{ days}}{365 \text{ days}}\right) \times \text{€ } 3.089.067,00}{1} \times 2 \% = \text{€ } 10.141,94$$

Important remarks

- The formula states that if a partner is member of two, respectively three associations, the Variable Fee invoiced by EPoSS is charged over 1/2 respectively 1/3 of the funding amount in a year.
- Please note that in case a partner is member of multiple associations, this partner will receive invoices from each of the associations in which he is a member. Each association charges according to its own Variable Fee percentage.
- The invoices of the Variable Fee are addressed directly to the representatives of the partners in the project consortia.
- If a project partner signs a Declaration of Acceptance (DoA) or becomes an EPoSS member during the project period, the project partner is obliged to pay all Variable Fee invoices for active projects in which the partner participates for the entire duration of the project period, including previous years.

Post-calculations

- After the project has ended and on request of a project partner, a final invoice (post-calculation) based on the actual total funding received by the project partner can be issued.
- The condition for a post-calculation is that EPoSS receives a confirmation from the participating state on the final total funding of a partner. A post-calculation will only be invoiced or credited if the difference between the invoiced Variable Fee and the post-calculated Variable Fee is higher than 10 %.

Corporate-member share (additional contribution fee) – only for ECSEL projects

All corporate-members of EPoSS have agreed to pay an extra variable contribution for the non-paying non-members (freeriders), participating in the same ECSEL-JU projects. This corporate obligation is called the C member share. Invoices are issued on an annual basis, calculated according to the actual situation within the project. The C-member share for a certain year is invoiced in the first half of the following year.

In case a project partner becomes a corporate member of EPoSS during a project, this partner is not invoiced for the C-member share of previous years before the official start-date of his membership. The new corporate member will be invoiced for the C-member share starting in the calendar year in which he became member.

The C-member share for ECSEL projects is calculated using the following formula:

$$\frac{\left(\frac{\text{Funding of a partner}}{\text{Funding of the C Members}} \right) \times \text{Funding of the Freeriders}}{\text{Industry Association Count}} \times \text{Variable Fee Percentage}$$

Funding of a partner	Funding of the (corporate) member for current year
Funding of the C members	Funding of all corporate members for current year
Funding of the freeriders	Funding of the freeriders for current year
Industry Association count	Number of industry associations affiliated with ECSEL (EPoSS, Inside, AENEAS)
Variable Fee percentage	Variable Fee percentage for EPoSS members for current year

Example for the calculation of the C Member share of partner A in an ECSEL project for year X:

Partner	Funding Year X	EPoSS	Inside	AENEAS	Partner A	
Partner A	€ 20.000	Corporate member	Corporate member		Funding of the partner	€ 20.000
Partner B	€ 60.000		Corporate member	Corporate member	Funding of the C members	€ 110.000
Partner C	€ 30.000	Corporate member			Funding of the freeriders	€ 90.000
Partner D *	€ 40.000				Industry Association count	2
Partner E *	€ 50.000				Variable Fee percentage	2 %
Partner F	€ 40.000	Non-profit member	Non-profit member	Non-profit member		
					$((20.000 / 110.000) \times 90.000 / 2) \times 2 \%$	= € 163,64

(* freeriders)