

## Annex C Financial & Operational Capacity

An introduction to the due diligence process

### Introduction

This document contains information on how the EU Commission assesses the viability of organisations to receive EU Grant Funding.

### Financial Viability

The verification of financial capacity shall not apply to applicants which are public bodies, including Member State organisations. Other applicants (i.e. private law bodies with a public service mission) must have stable and sufficient sources of funding to maintain their activity throughout the duration of the grant and to participate in its funding. The applicants' financial capacity will be assessed on the basis of the following supporting documents to be submitted with the application:

- Low value grants (≤ EUR 60 000): a declaration on their honour.
- Grants > EUR 60 000:
  - a declaration on their honour, AND
  - EITHER: the profit and loss account as well as the balance sheet for the last financial year for which the accounts were closed; for newly created entities: the business plan might replace the above documents; OR
  - the table provided for in the application form, filled in with the relevant statutory accounting figures, in order to calculate the ratios as detailed in the form.

### Financial Capacity Self-Check Tool:

<https://ec.europa.eu/research/participants/lfv/lfvSimulation.do>

**Overview of Financial Capacity Assessment:** [https://ec.europa.eu/research/participants/data/ref/h2020/other/events/2019-09-19/4\\_legal-status-financial-capacity\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/other/events/2019-09-19/4_legal-status-financial-capacity_en.pdf)

### Documents to provide to IFE:

Partners are asked to provide the following information on request so that Impact Funding Europe can support in the demonstration of Financial Capacity:

- Last three financial years full accounts
- Current Balance Sheet Statement
- Details on ownership structure and shares (e.g. CAP table)

This information will need to be refreshed from time to time to ensure it is up to date.

Failure to provide this information in a timely and cooperative manner will mean that IFE cannot guarantee inclusion in a desired consortium and Proposal until such time as the information is provided.

### Operational Capacity

The adequate operational expertise is already deemed to exist with respect to Member States, national authorities and other public bodies, as well as private law bodies with a public service mission, active in the context of the Union Civil Protection Mechanism.

Other applicants must have the professional competencies to complete the proposed tasks. Such competencies will be assessed based on the scope of activities of the applicant, as evidenced by any available information, such as, in particular, activity reports and equivalent documentation.

### Operational capacity Definition

As a distinct operation, carried out during the evaluation of the award criterion 'Quality and efficiency of the implementation', experts will indicate whether each individual participant has, or will have in due time, a sufficient operational capacity to successfully carry out its tasks in the proposed work plan. This assessment will be based on the competence and experience of the applicant, including its operational resources (human, technical and other) and, if applicable, exceptionally the concrete measures proposed to obtain it by the time of the implementation of the tasks.

To this end the applicants are required to provide the following information in their proposal:

- a description of the legal entity and its main tasks, with an explanation of how its profile matches the tasks in the proposal;
- a CV or description of the profile of the persons, including their gender, who will be primarily responsible for carrying out the proposed research and/or innovation activities;
- a list of up to 5 relevant publications, and/or products, services (including widely-used datasets or software), or other achievements relevant to the call content;
- a list of up to 5 relevant previous projects or activities, connected to the subject of this proposal;



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- a description of any significant infrastructure and/or any major items of technical equipment, relevant to the proposed work.

If operational capacity cannot be demonstrated at the time of submitting the proposal, you will need to describe the concrete

measures that will be taken to obtain it by the time the project starts.

Failure to provide this information in a timely and cooperative manner will mean that IFE cannot guarantee inclusion in a desired consortium and Proposal until such time as the information is provided