



# **GUIDANCE ON CONTRACTUAL PROJECT MANAGEMENT**

## **Erasmus+ Programme**

**(JANUARY 2017)**

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## **INTRODUCTION**

### ***Purpose of the document***

The document applies to grants awarded under Erasmus Programme. The document is intended to serve as an aid to beneficiaries and a management tool for projects. Its principal aims are to:

- help beneficiaries and coordinators to manage their project and run it efficiently;
- clarify matters arising from the grant agreement/grant decision and its annexes;
- provide practical information that may be referred to throughout the project's life;
- provide guidance on the methods of project monitoring and on the dissemination and exploitation of a project's results/products;
- provide guidance on how to handle the financial side of projects in such a way that financial statements can be readily drawn up;
- promote the sound financial management of a project and ensure that the best results/products are delivered at reasonable cost;
- encourage smooth relations between the parties involved by setting out an operational framework for the project.

### ***Other documents***

This document should be read in conjunction with your grant agreement/grant decision, the call for proposals/invitation to submit of your action (including annexes such as Guidance notes – Report of Factual Findings on the Final Financial Report – Type I, II or List of supporting documents, Guidelines, Instructions for completing the Application Package and the Programme Guide for Erasmus+ and Guidelines for applicants).

### ***For further information***

For further information or clarifications on the content of this document, please contact us via the functional mailbox for this action:

[EACEA-POLICY-SUPPORT@ec.europa.eu](mailto:EACEA-POLICY-SUPPORT@ec.europa.eu)

## DEFINITIONS

**The Agency:** refers to the Education, Audiovisual and Culture Executive Agency, to which the European Commission delegated powers for the implementation, on its behalf and under its responsibility, of part of Union programmes.

**Amendment:** an amendment is an act modifying the grant conditions initially agreed or established in clauses of the grant agreement or grant decision.

**Associated Partners (optional)<sup>1</sup>:** these organisations contribute indirectly to the implementation of specific tasks/activities and/or support the dissemination and sustainability of the project. Such contribution may for example take the form of knowledge and skills transfer, the provision of complementary courses or backing possibilities for secondment or placement. This applies more specifically to socio-economic partners (i.e. commercial enterprises, in particular SMEs, public authorities or organisations, non-profit or charitable organisations, international/European interest organisations, etc.) that can propose, support and accompany - over a mid- and long-term perspective - specific research projects, contribute to the transfer of knowledge and results as well as the innovation process, assist in the promotion, implementation, evaluation and sustainable development of the project. These organisations are not considered as beneficiaries and are not subject to contractual requirements because they do not receive any EU funding. However, as an exception, costs incurred by associated partners participating in Erasmus Mundus Joint Master Degrees may be reimbursed by the EMJMD consortium only from the EU "contribution to the consortium's management costs" (lump sums).

**Beneficiary:** any natural or legal person with whom a grant agreement has been signed or to whom a grant decision has been notified. A legal link is established only with the beneficiary (the signatory of a grant agreement or the addressee of the grant decision). Beneficiaries may be represented by a coordinator in case of multi-beneficiary agreement. The beneficiary is the one who receives the grant and who reports directly to the Agency. Beneficiaries are solely and totally responsible for implementing the action or the work programme defined in the grant agreement. In case of multi-beneficiary agreement, all mandates provided to the coordinator by the other beneficiaries are included in Annex IV of the grant agreement.

**Consortium:** participating organisations from different countries teaming up to implement and follow up a project.

**Contact person:** the person responsible for the management of the project vis-à-vis the Agency and the contact for any communication from the Agency to the beneficiaries.

**Coordinator:** the beneficiary which signs the grant agreement and has the responsibility of coordinating the action. As coordinator, this beneficiary becomes the contact point between the other beneficiaries and the Agency.

**Delegation:** a document signed by a delegating public authority giving authorization to be represented by other public or private organisations, as well as legally established networks or associations of public authorities, provided the delegation is in writing and makes explicit reference to the proposal being submitted.

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<sup>1</sup> Normally, this terminology has to be removed for two reasons: the Agency does not establish a contractual link with those organisations (therefore costs remain not eligible) and the RF doesn't recognise such terminology. Due to the fact that the Programme Guide E+ introduced, unduly, different definitions for several actions (having different treatment rules), this is a proposition.

**Erasmus+ Programme Guide:** applies to the entire duration of the project and gives guidelines for its implementation. It provides explanations to help understand the objectives and the different programme actions, the types of activities that can (or cannot) be supported as well as the conditions under which this support can be granted and the grant awarded used. The guide and all its revisions (apart from exceptional and duly justified cases and accepted by the Agency) is a contractually binding document for all actions included in the General Call for Proposal and for which the details are outlined in the Erasmus + Programme Guide.

**Final Report:** the beneficiary must submit (a) a technical report and (b) a financial statement covering the entire period of the action. Additional supporting documents and/or documents to be submitted for audit purposes may be requested in the article I.4 of the grant agreements/ article 4 of the grant decisions).

**Financial Regulation:** Council Regulation (EU, Euratom) N° 966/2012 of 25 October 2012 repealing Council Regulation N° 1605/2002 on the Financial regulation applicable to the general budget of the European Communities (OJ L 298/1 of 26 October 2012) and amending Regulation (EU, Euratom) 2015/1929 of 28 October 2015; Commission Delegated Regulation (EU) 2015/2462 of 30 October 2015 amending Delegated Regulation (EU) No 1268/2012 of 29 October 2012 (OJ L 362/1 of 31 December 2012) on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

**Irregularity:** means any infringement of a provision of EU law or a breach of a contractual obligation resulting from an act or omission by an economic operator, which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it through unjustified expenditure.

**Grant agreement:** the grant agreement is a *bilateral act* establishing the legal relationship between the Executive Agency, on one side, and one or several beneficiaries, on the other side. This represents the most common form of the legal commitment. In case of multi-beneficiary agreement, these beneficiaries have given mandate for the purpose of the signature of the agreement to the representative of the signatory of the agreement (called "coordinator").

**Grant decision:** the grant decision is a *unilateral act*, signed by the Executive Agency, which does not require an expression of will by the future beneficiary in order to enter into force. The grant decision creates rights and obligations for the beneficiary and has a binding effect on it by way of application of the Treaty, meaning that the grant decision has a legal force only within the Union. Decisions are, in general, more suitable for small standardised mono-beneficiary grants.

**LEAR:** Legal Entity Appointed Representative. It is the person authorised by the legal representative of the beneficiary to have access to the Participant Portal and proceed on behalf of the organisation to any changes related to its name, legal address, legal status, registration number and VAT number.

**Legal Representative:** the person legally authorised to enter into legal and financial obligations on behalf of the "coordinator".

**Mainstreaming:** is the planned process of transferring the successful results of programmes and initiatives to appropriate decision-makers in regulated local, regional, national or European systems.

**Mandate:** in case of multi-beneficiaries arrangements, mandates from the beneficiaries are given to the applicant/coordinator to represent them in the framework of the submission of the proposal, selection

process and to act in their name and for their account during the implementation of the action. Those mandates are signed bilaterally by the coordinator and each beneficiary and are attached to the grant agreement.

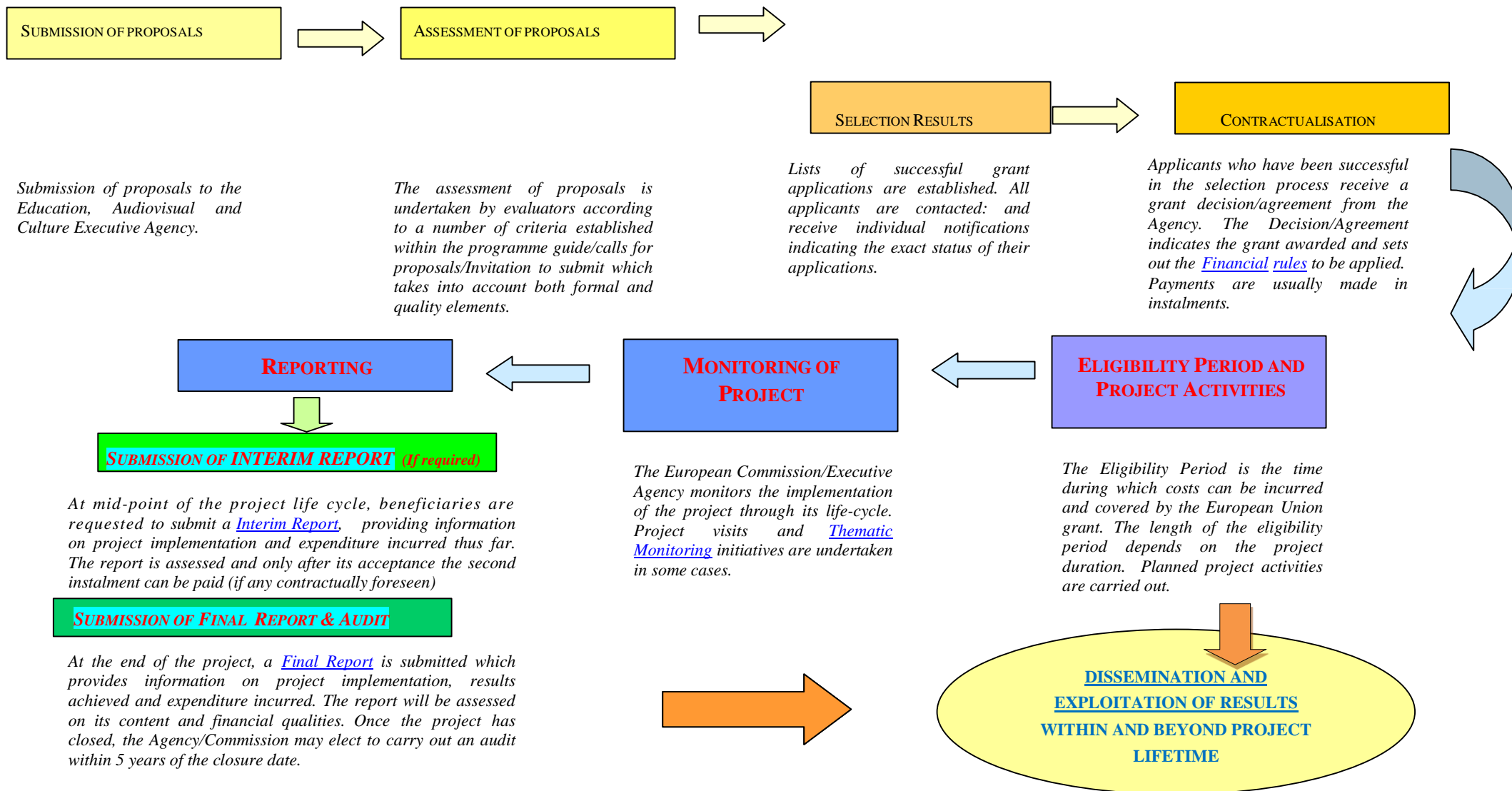
**Multiplication:** is the planned process of transferring the successful results of programmes and initiatives to appropriate decision-makers in regulated local, regional, national or European systems.

**Partnership agreement:** bilateral agreement made between the coordinator and each beneficiary to govern a number of issues that will or may arise during the life of the project (e.g. collaboration methods, tasks, financial provisions, intellectual property rights, etc.) in accordance with article II. 1 of the grant agreement.

**Interim Report:** a technical report and financial statement on the implementation of a project submitted in accordance with the deadline indicated in article I.4.1 of the grant decision/agreement.

**PIC:** Participant Identification Code.

# 1. MANAGEMENT OF YOUR PROJECT – Project Life Cycle Overview



## 2. MONITORING OF THE PROJECT BY THE AGENCY

Monitoring is a standard part of the quality management cycle. Monitoring can have different objectives. They aim principally to:

- assess the implementation of successful project management strategies (legal aspects, regularity and sound financial management);
- provide advice and support to the beneficiaries in the implementation of their project from both operational and financial perspectives; inform them of the practical rules of daily management;
- monitor the correct execution of the projects, in line with the operational and financial plans;
- identify any potential problems during the project implementation;
- identify best practices and lessons learned, and demonstrate the European added value of the Erasmus + Programme;
- contribute to the achievement of the EU policy priorities as described in the call.

In general, project monitoring should allow both the Agency and the coordinators to follow-up the project performance and results. Smooth cooperation between the Agency and the beneficiary organisations is crucial. To this end, the Agency will ensure a constant follow up on the projects.

The Agency's monitoring may be performed through face to face meeting or remotely and can be performed in different ways:

- ***Desk monitoring***

The desk monitoring is done at the Agency by the project officers on the basis of the information available during all the life cycle of the project (mainly on the basis of interim and final reports). The Agency may use external expertise to analyse and assess these reports. Project officers are available to provide information, answer queries and give guidance. You should use the email address [EACEA-POLICY-SUPPORT@ec.europa.eu](mailto:EACEA-POLICY-SUPPORT@ec.europa.eu) for any contact regarding your project.

- ***Onsite or online meeting at the Agency/European Commission***

Consortium representatives may be asked to attend meetings organised by the Agency/European Commission (indicatively there will be a maximum of 2 meetings per grant agreement), and /or meetings/conferences relevant to specific topics related to the content of their project or for promotion purposes. They may also be invited to meet the staff who manages their project in the context of on-going monitoring. Depending on the type of meeting, project representatives may also be requested to make presentations on the progress of their projects or aspects of its content or management.

- Coordinators' meetings organised by the Agency (so called "kick-off meetings"): the project's representative (usually the "contact person" for the daily management) have the opportunity to participate in such meetings at the beginning of the project. Kick-off meetings relate to the start of the activities and allow the project coordinator to get familiar with all administrative and financial aspects of the project implementation and the related challenges;
- "Cluster meetings" focusing on a particular subject/topic. The project representative(s) have relevant experience in the domain and share their knowledge with other projects, thus benefitting from mutual learning.

The incurred expenditure for participating in the meetings may be covered by the amount of the grant referred to in Art. I.10.1 of the Grant Agreement.

- ***Onsite or online monitoring visit to your organisation***

A monitoring visit can take place at any time during the lifetime of the project to verify the status of the project's implementation and the preparation of its outputs to obtain a clear picture of how well the project is being managed, to see how well partners are cooperating; and to provide the project with support and guidance. At a more detailed level, the visit will focus on the follow-up of the work programme, project outputs, communications, administrative practices, project documents as well as on general questions relating to the financial management of the project.

The documents which should be made available for the Agency during the onsite visit will be specified by the Agency in advance. These could include, but may not be limited to, the following:

- any results/products available at the time of the visit;
- beneficiary agreements referring explicitly to the EU grant agreement provisions (highly recommendable for all projects);
- minutes of the partnership meetings;
- documents related to products;
- copies of the money transfers to the beneficiaries;
- accounts and all the corresponding supporting documents;
- the full set of documents related to the procurement procedure (call/request of offers: the required number of offers, evaluation committee report, notification and rejection letters), the subcontracting agreements and invoices;
- internal and external evaluation reports, including results of testing;
- quality plan;
- dissemination and exploitation plan, including intellectual property and commercialisation agreements where appropriate;
- publicity material.

The Agency's monitoring visits may be undertaken by **Agency's representatives** (e.g. operational, financial officer), **representatives of the European Commission and /or external experts**.

If the monitoring requires a visit to your premises, the Agency will confirm in advance and in writing the purpose of the visit, the issues to be addressed and, where appropriate, and the list of documents that should be made available or submitted in advance.

- ***Visit to a partnership meeting and/or a project event organised by the beneficiary***

The Agency may attend a project event or a partnership meeting as an observer in order to become acquainted with the progress of the project. At the partnership meeting, each beneficiary will be expected to describe its contribution to the project and demonstrate its activities and results/outputs to the Agency. The Agency's representative may be accompanied by an external expert and by a representative of the European Commission.

The Agency representative may also wish to cover specific areas related to project implementation. Therefore, the Agency may take the opportunity to cover management issues in a separate meeting with the coordinator and other project representatives.



### 3. AMENDMENTS

An amendment is an act modifying the grant conditions initially agreed or established in clauses of the grant agreement or grant decision. It requires that one party requests a change that the other party agrees to. Beneficiaries have to inform the Agency of any changes they wish to introduce in advance in order to allow the necessary time for the analysis of the request.

In most cases, the amendment will be made by an exchange of letters which implies that the agreement between the two parties will not be reached by countersigning the very same document but by exchanging two separate documents (letters).

A request for amendment has to be submitted one or two months before the end of the eligibility period as provided in the grant agreement/decision. However, exceptions to this rule are possible when there is a duly justified reason substantiated by the beneficiary and accepted by the Agency, provided this does not question the principles of amendments.

Four principles apply:

- An amendment cannot question the decision to award the grant;
- An amendment cannot result in unequal treatment of applicants;
- An amendment can be made only in writing;
- The modification to a grant agreement/grant decision has to be authorised by the same parties who have signed the initial agreement/decision.

Therefore, any request for modification must be accepted by the Agency in advance of your proposed change and must comply with the eligibility criteria set out in the Erasmus+ Programme Guide/calls for proposals. When preparing an amendment request, please ensure that you continue to respect all the criteria defined per type of action.

The amendment request has to:

- be a letter or request form (see 3.1 and 3.3) submitted **by email** to this email of the Agency [EACEA-POLICY-SUPPORT@ec.europa.eu](mailto:EACEA-POLICY-SUPPORT@ec.europa.eu). In some specific cases outlined below, a simple e-mail can be sent (see 3.2.i-iii);
- be submitted to the Agency normally before the change occurs and at least one or two months before the end of the eligibility period;
- duly justify the reasons for the proposed changes.

The Agency reserves the right to reject an amendment request that is not sufficiently justified.

Once the amendment is made, it becomes an integral part of the initial grant agreement/decision.

The modifications to a grant agreement/decision have to be authorised by the same parties who have signed the initial agreement. This is the beneficiary (in case of mono-beneficiary grants) or the coordinator (in case of multi-beneficiary grants). The amendment must be signed by the legal representative of the beneficiary or the coordinator, *i.e.* the person who has the necessary powers to commit the entity. This can be the same person as the one who signed the grant agreement or referred to under this role in the grant decision or it could be another person replacing the initial representative or a person to whom the authorisation to represent and commit the entity has been given by means of a specific mandate. If the person signing is not the legal representative identified as such in the grant agreement/decision, a supporting document proving the authority to sign on behalf of the coordinator or the beneficiary should be submitted along with the request for amendment.

In the case of multi-beneficiary grant agreements, the coordinator must obtain the preliminary agreement of the co-beneficiaries and be mandated to sign amendments on their behalf.

Depending on the nature of the modification the amendment is made through different procedures:

### **3.1 Changes which require an amendment request form sent as an attachment to an email**

In principle, in the call there is a provision for a specific amendment form. Beneficiaries have to follow the instructions therein<sup>2</sup>.

[http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space\\_en](http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space_en)

#### ***i) Change of beneficiary (mono-beneficiary grants)***

In mono-beneficiary grants if the beneficiary withdraws and is replaced by another one, an assignment contract, i.e. a special three-party contract has to be signed between the Agency, the old and new beneficiaries. Further guidance on this matter can be obtained by consulting the Agency.

All eligibility, selection and award criteria must be still fulfilled at project level.

#### ***ii) Change of the coordinator (multi-beneficiary grants)***

When the change in the composition of the consortium refers to the replacement of the coordinator by a legal entity which is already a member of the consortium, this change is recorded via an exchange of letters i.e. the amendment request form and the reply of the Agency. However, an assignment contract which, as mentioned above, is a three-party contract will have to be signed when the new coordinator is not already a member of the consortium. Further guidance on this matter can be obtained by consulting the Agency. All eligibility, selection and award criteria must be still fulfilled at project level if the coordinator is replaced by a new entity.

Full contact details of the new coordinator (name, address, phone number, email) and all other supporting documents requested have to be attached to the amendment request form.

#### ***iii) Change in the composition of the consortium i.e. withdrawal of one co-beneficiary and/or addition of another***

It needs to be ensured that by removing and/or adding a new co-beneficiary, all the eligibility and selection criteria (operational and financial capacity) originally applied are still fulfilled. A newly proposed member should also comply with the exclusion criteria announced in the call for proposals. A new organisation cannot be accepted if all these criteria are not met. If after the removal of a co-beneficiary – which may or may not be replaced by a new one – the eligibility and/or selection criteria are no longer respected at project level, the agreement will be terminated.

If the change in the composition of the consortium engenders other changes, (e.g. change of the description of the action, work programme, budget) all changes will have to be reflected in the amendment.

#### ***iv) Changes to the eligibility period***

Any extension must comply with the requirements laid down in the call for proposals. A modification of the eligibility period also may imply a modification of the deadlines for submission of reports and of other documents specified in the grant agreement/decision.

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<sup>2</sup> If no amendment form is provided in the call, beneficiaries must nonetheless submit a letter in order to request any of the modifications in 3.1.

### ***v) Change of bank account***

If the bank account of the beneficiary/coordinator changes, the new bank details need to be communicated to the Agency by filling in the following form:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial\\_id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm)

The form must be signed by the account holder in original and either stamped and signed by the bank concerned or accompanied by a recent bank statement.

### ***vi) Changes to the work programme/description of the action***

The new work programme or description of the action needs to be attached to the amendment request form. If in case of change of the work programme/description of the action, you are in doubt about whether or not you need to request an amendment, please contact the Agency: [EACEA-POLICY-SUPPORT@ec.europa.eu](mailto:EACEA-POLICY-SUPPORT@ec.europa.eu)

### ***vii) Changes in the budget***

The percentage beyond which any budgetary transfers will require an amendment is provided in the grant agreement/decision. No amendment is required for budget transfers under this percentage. It is possible that the beneficiary makes several budgetary transfers each under the percentage which has been provided in the grant. However, if the total percentage of these transfers exceeds the percentage set in the grant, an amendment will be needed.

The budget structure in some actions may limit possible adjustments between budget headings (i.e. Alliances actions). If this is the case, please refer systematically to the Specific Conditions of the grant agreement/decision.

## **3.2 Changes which do not require an amendment request form**

This section describes those cases where the beneficiaries do not submit an amendment request form. Instead a simple email or letter attached to an email are required as described specifically hereafter:

### ***i) Changes via the Participant Portal***

The Participant Portal is the platform where the LEAR (Legal Entity Appointed Representative) of each beneficiary registers any changes related to their legal entity. The accuracy of these changes and any supporting documents are checked and validated by the Research Executive Agency (REA). Once REA has validated these changes, they notify the beneficiary that this information is up to date in the database of the Commission.

It is not required to send an amendment request to the Agency for these modifications. However, it is recommended to inform the Agency by email of the specific changes introduced via the Participant Portal for a better follow-up.

- Address of the Participant Portal:  
<http://ec.europa.eu/education/participants/portal/desktop/en/organisations/register.html>
- In case of problems linked to your PIC or changes of legal entity's data, please follow these instructions:
  - If you are a Self-registrant/LEAR please contact the Validation Services via the messaging tab of the PIC in the Participant Portal Beneficiary Register:  
<http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html> (log in with your ECAS account)

- For technical questions, please address your request to the IT helpdesk: <http://ec.europa.eu/research/participants/api//contact/index.html>

The modifications that must be made **via the Participant Portal** are the following:

- Change of the legal status of the beneficiary:

Under the new legal status, the beneficiary must fulfil all the eligibility and selection criteria originally applied. If this change results in non-fulfilment of the eligibility and/or selection criteria, participation (in case of multi-beneficiary) or the grant (in case of mono-beneficiary) will be terminated. In a multi-beneficiary grant it will also be verified whether the eligibility criteria at project level are still respected. If this is not the case, the agreement will be terminated.

- Change of legal name of the beneficiary:

In certain cases, what appears to be a change of name may in reality be a different change (e.g. new legal entity, transfer of rights and obligations), which may require other supporting documents and a different treatment. In this case the Agency will inform you which supporting documents are needed.

- Change of address of the beneficiary:

The change will be accepted by the Agency provided that it is compatible with the eligibility criteria.

***ii) Change of the legal representative of a co-beneficiary:***

An e-mail together with an official document confirming the name of the new legal representative have to be sent. If the e-mail is not sent by the legal representative, he/she should be in copy. Examples of official documents include statutes and/or minutes of the Board, extract from register, etc. The Agency will reply by simple email.

***iii) Change of contact person of the coordinator (multi-beneficiary grants) or the beneficiary (mono-beneficiary grants)***

A change of contact person of the coordinator (multi-beneficiary grants) or the beneficiary (mono-beneficiary grants) does not require the use of the amendment request form. An e-mail or a letter signed by the legal representative of the coordinator (multi-beneficiary grants) or the beneficiary (mono-beneficiary grants) must be submitted to the Agency outlining the reasons for the envisaged change. If the e-mail is not sent by the legal representative, he/she should be in copy. The Agency will reply by simple email.

### **3.3 Other changes**

All other changes not indicated in 3.1-3.2 shall be requested by a letter signed by the legal representative. The letter shall be sent to the Agency by email.

## 4. Financial aspects

This section complements the financial provisions as stated in the Part B of the general conditions of the grant agreement/grant decisions and applies to all beneficiaries (e.g. the rules on staff costs apply to all beneficiaries of the project). **This guidance addresses grants funded through the reimbursement of a specific proportion of costs actually incurred by beneficiaries.** Specificities linked to the use of simplified forms of grants (unit costs, lump sums, flat-rate) are included.

### 4.1 General provisions on eligibility of costs

To be considered as eligible costs of the project, costs must satisfy the following general criteria:

- they are incurred by the beneficiaries explicitly mentioned in the Annex IV (list of beneficiaries);
- they are incurred within the implementation period of the project as specified in the grant agreement (article I.2.2). Activities taking place before or after the period specified in a grant agreement are not eligible for funding, with the exception of costs relating to final reports and audit certificates (type I or II, as requested in grant agreement/grant decision). The reference to costs relating to final reports may be more broadly interpreted than only covering costs directly pertaining to the production of final reports. These costs shall be indicated in the estimated overall budget of the action and incurred after the completion of the action but before the submission of the final report. Indeed, costs may not be reimbursed if not declared in the final financial statement on the basis of which the final amount of the grant is determined.
- they are necessary for the implementation of the action or the work programme which is the subject of the grant. All costs must be incurred in connection with the action as described in Annex I;
- they are indicated in the estimate overall budget of the action set out in Annex III. Therefore, when the final grant is determined, the eligible cost base cannot include costs which did not appear in the estimated budget unless an amendment to the initial estimated budget has been signed. However, if at the time of application the beneficiary fails to supply the relevant information, he may still seek the Agency's approval while the action is under way. This condition also applies to procurement contracts that the beneficiary has to conclude with third parties for the purpose of implementing tasks forming part of the action (see also art. II.10 of the grant agreement and general conditions n°10 of grant decision);
- they are necessary for the execution of the project. These costs must be essential for the performance of the operation in question and would not be incurred if the action did not take place;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the **applicable accounting standards of the country** where the beneficiary is established and according to the usual **cost-accounting practices** of the beneficiary;
- they comply with the requirements of applicable tax and social legislation. The purpose of this provision is to ensure that EU funding is not provided on costs which would contravene the national law;

- they are reasonable, **justified**, and comply with the requirements of sound financial management<sup>3</sup>, in particular regarding economy and efficiency. **The concept of correctly matching estimated costs and expected achievements is essential in terms of sound financial management: the beneficiary must be able to justify the resources used to attain the objectives set in line with the objectives of the grant agreement or grant decision. This should be analysed by putting in perspective the technical annex and the request for payment.**

#### 4.1.1 Eligible Direct Costs

The eligible direct costs for the project are those specific costs which are directly linked to implementation of the project's action and can therefore be attributed directly to it. To be eligible, direct costs shall comply with the conditions of eligibility set out in the General Conditions of grant agreements/decisions.

##### a) Staff

Costs relating to the following categories of staff are considered

- the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the *action*, provided that these costs are in line with the beneficiary's usual policy on remuneration;
- temporary staff, recruited through a specialised external Agency;

*Those costs include actual salaries plus social security contributions and other statutory costs included in the remuneration.*

- the costs of natural persons working under a contract with the beneficiary other than an employment contract or who are seconded to the beneficiary by a third party against payment may also be included under such personnel costs, provided that the following conditions are fulfilled:
  - (i) the natural person works under the instructions of the beneficiary and, unless otherwise agreed with the beneficiary, in the beneficiary's premises;
  - (ii) the result of the work belongs to the beneficiary; and
  - (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary.

Personnel costs may only be charged to the project insofar as they correspond to the actual time devoted to the project. Staff members of beneficiaries are not allowed to operate in a subcontracting capacity for the project as this would be a clear conflict of interests (see articles II.4 and II.10 of the

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<sup>3</sup> Costs shall be defined in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness. The principle of economy requires that costs shall be defined in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

grant agreement).

Personnel costs charged to a project receiving an EU grant should not be inflated, but remain in line with the *usual remuneration policy* of the beneficiary. If the Agency officer has any reason to believe that the costs are not in line with the usual policy of the beneficiary (i.e. using ceilings of Commission's rates instead of actual costs per day), he/she should ask for evidence on this point.

Taking into account weekends, public holidays & other holidays, the **total number of productive days** for any member of staff in a year should not normally exceed a maximum of 220-240 days per year or 22 days per month. Of course, exceptions exist and the veracity of the days really worked in a year should be verified with supporting evidences (employment contracts, annual salary slips, calculation methodology provided by the beneficiary, etc.) in order to establish the actual daily costs of personnel assigned to the action.

The following documents may also be taken into account: the contracts, time sheets, tax declarations of the individual and the entity, company by laws, organisational charts, reporting duties, internal rules of procedures, correspondence between the entities and the individuals, payroll and accounts of the organisation.

The findings from recent ex-post audits/controls and ex-ante verifications have shown that one of the main reasons for irregularities in financial reports was due to the miscalculation of staff costs combined with lack of time registration systems or their unsuitability for the purpose of providing a reliable and accurate view of the time actually spent on the project.

In order to reduce errors deriving from such causes, the following is aimed at providing guidance to beneficiaries about acceptable time registration systems (and supporting documents), as well as about the recommended approach for calculating eligible personnel costs:

Staff costs should be calculated on the basis of the actual gross salary or wages plus obligatory social charges and any other statutory costs included in the remuneration.

- Where a staff member works **full-time** for the beneficiary, but is allocated only part-time to the project, only the equivalent part of his/her salary is an eligible cost for the project. This amount cannot exceed the daily/hourly gross cost to the employer<sup>4</sup> multiplied by the number of days/hours worked for the project. In these cases the time, which each employee spends working on the project, shall be recorded using timesheets or an equivalent time registration system established and certified by the employer.
- Salaries (fees) of **non-permanent staff** (staff specifically recruited for the project) may be charged to the project if the individual concerned works for the beneficiary with a contract explicitly linking the person to the project provided that such practice complies with the relevant national legislation. The contract should make specific reference to the project and indicate the tasks of the personnel, the duration of the employment, the time allocated to the project and the relevant remuneration rate (monthly/daily/hourly). Time spent on the project shall be recorded on a regular basis using timesheets or an equivalent time registration system established and certified regularly by the employer.

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<sup>4</sup> These rates should correspond to the organization's normal remuneration policy. The inflation of rates or specific separate contracts are not considered as acceptable and can result in the costs in their totality not being taken into account when establishing the eligible amount of the final grant

- Salary costs of staff member of national administrations may be considered as eligible costs, to the extent that they relate to the cost of project implementation activities that the relevant public organization would not carry out if the project concerned would not be undertaken (i.e. the EU contribution may not under any circumstances be used to fund the staff costs corresponding to the core activities of the relevant public entity). The staff in question must be specifically seconded to the project and their involvement in the project must represent an additional cost.

## Methodology

The Beneficiaries are requested to use the following method for calculating the staff costs to be reported to the Agency:

The calculation of staff cost must be based on the annual gross salary including social charges and other statutory costs divided by the total actual annual productive working time units and the result is multiplied the time actually worked on the grant as follows:

$\frac{\text{(Annual gross salary + social charges + statutory costs)}}{\text{(Total actual annual productive working days/hours)}}$	X	actual days/hours worked in the action
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Where:

Annual Gross Salary + Social Charges = costs actually paid by the beneficiary in the timeframe of a year, including: salary, taxes, employer's contribution for national security schemes etc.

Total actual annual productive time = total time in days or hours worked in the timeframe of a year.

The calculation of the **total annual productive days** or hours must be done as follows:

1	Total number of days in a year	365/366
2	Less weekends	To filled in
3	Less public holidays	
4	Less annual leave actually taken	
5	<i>Less other statutory elements</i>	
6	<i>Plus other statutory elements</i>	
= Total number of productive days in the year		

Please note that time used on meetings, activities, training and similar absences are considered as productive working time and should not be deducted. Also note that long term illness and maternity leave cannot be charged to the grant. Furthermore, any amounts corresponding to such long-term absences should be deducted from the nominal amount "annual gross salary + social charges", i.e. the amount "annual gross salary + social charges" should only indicate the salary for the time during which the relevant staff member was not on long-term sick leave/maternity leave.



Actual days/hours worked on the grant = worked time in days or hours for the purpose of the grant. This needs to be clearly substantiated by timesheets (see provisions on time registration systems below).

All additional (non-statutory) and individual pension schemes and/or sickness insurances are not eligible, as well as company cars, bonuses and any other similar fringe benefits. Dividends or profit sharing are also not eligible.

The above calculation should be based on statutory documents, such as employment contract, annual salary statement and pay roll summary, so that the amounts taken into account for the calculation of the annual staff cost can easily be traced and verified.

For projects running over several years the calculation of the cost of salary related to the project must be done separately for each individual year using the same format as explained above.

### **Time Registration Systems**

As specified above, where a staff member works full-time for the organisation, but is allocated only part-time to the project, only the equivalent part of his/her salary is an eligible cost for the project. For this reason beneficiaries must establish a time registration system that, as a minimum, respects the following rules:

The time sheets per employee (paper and/or electronic) must contain at least the following information:

- Reference to the project reference number (grant agreement number);
- Name of the employee;
- The time sheet, whatever the format used (daily, weekly, monthly), should allow the Agency to identify precisely the hours worked per day (+ the days worked on the project) and to verify that the actual rate per time unit is applied. Global sheets showing for example "x" hours spent per month are not accepted as supporting documentation;
- The number of time units (days or hours but possibly the time unit used in the budget attached to the grant agreement) worked on the project during the period of the time sheet;
- Number of time units (days or hours) worked on other grants/activities;
- Total number of time units (days or hours) worked;
- Details of the tasks performed for the project;
- Date and signature of the employee;
- Date and signature of the project manager.

The time worked on the project must be registered in a timely and regular manner, normally every day (time sheets established retroactively shall not be accepted as supporting document). The completed timesheet for a given month should be signed by the employee and approved by the supervisor in a timely manner – ideally during the first week of the following month. In case of the use of only electronic format to record the hours worked on project activities, please process with a printing report on a monthly basis to get the official signature of both employee and hierarchical superior on it.

It is highly recommended that a description of the time registration procedure is written down for future reference.

Examples of supporting documents that must be supplied if requested:

- documents explaining the internal policy on salaries and the calculation of the daily cost rate (pro rata basis if of part-time workers). Internal policy means the policy that was in place before the implementation of the project and used for all staff members no matter if they work on the EU project or not;
- timesheets signed by both the worker and the responsible of the organisation mentioning name, function and tasks fulfilled, reference to the work programme's activities, number of hours per day allocated to the project and the day of performance;
- employment contracts with an indication of the type of contract, the start date (and end date if applicable), function and tasks, monthly salary, working time per staff member, signed both by the employer and the employee can serve as justifying documents;
- official payroll document which allows to check both number of days worked in a year and amounts paid & social security charges duly paid;
- proof that the salaries and social security contribution recorded in the accountancy have been paid by the partner to the authorities.

Please note these documents should be kept for a period of 5 years after the final payment is made.

### **Documentation of Staff costs (non-exhaustive list):**

*Costs of personnel working under an employment contract (full-time or part-time):* person working for the beneficiary and allocated to the action on a part-time or full-time basis:

- ✓ existing employment contract with the beneficiary;
- ✓ equivalent appointing act;
- ✓ assignment to the action with specific indication of tasks, reference to the action, to the duration of allocation to the action, to the percentage of working time allocated to the action; to the hourly/daily rate;
- ✓ timesheets or equivalent system established and certified by the employer with indication of contact details of employee and employer, description of tasks, dates of the performance (duly dated and signed by employee and employer);
- ✓ monthly salary slips / annual salary statement covering the eligibility period of the action;
- ✓ registration in the accounting system and in the payroll of the beneficiary;
- ✓ methodology of calculation of the hourly and/or daily salary rates requested, including all statutory components to establish the actual salary;
- ✓ usual policy of remuneration;
- ✓ proof of payment (bank transfers).

*Costs of natural person working under a contract with the beneficiary other than an employment contract:* person recruited directly by the beneficiary, or indirectly via an external agency who is recruited exclusively for the implementation of the action and who is not registered in the organization's payroll:

- ✓ specific contract linked to the action with description of tasks, reference to the action, to the duration of the contract, to the time to be allocated to the action, to the hourly/daily rate. The contract should clearly state where the natural person is working in the premises of the beneficiary or not, that this person is working under the instructions of the beneficiary, and that the result of the work belongs to the beneficiary;
- ✓ timesheets or equivalent system established and certified by the beneficiary with indication of the description of tasks, dates of the performance (duly dated and signed by the staff and the beneficiary);
- ✓ invoices including the name of staff, tasks performed, dates of worked days, number of hours

- worked and price per hour/day;
- ✓ proof of payment (bank transfers).

Note: the costs cannot be significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary. This particular point may be verified by the Agency, and the difference of costs may be considered as excessive or reckless expenditure.

*Costs of personnel who are temporary seconded to the beneficiary by a third party against payment:*

- ✓ secondment assignment/letter/act linked to the action with specific indication and description of tasks, reference to the action, to the duration of the secondment, to the time allocated to the action, to the hourly/daily rate. The assignment should clearly state where the seconded person is working in the premises of the beneficiary or not, that this person is working under the instructions of the beneficiary, and that the result of the work belongs to the beneficiary;
- ✓ the cost of such personnel should generate a cost (i.e. represent a financial flow) for the beneficiary – and this costs should be verifiable and duly registered in the accounting system of the beneficiary;
- ✓ timesheets or equivalent system established and certified by the beneficiary with indication of the description of tasks, dates of the performance (duly dated and signed by the seconded staff and the beneficiary);
- ✓ salary statements/salary slips/invoices established for the purpose of the secondment;
- ✓ proof of payment (bank transfers).

*Knowledge Alliances and Sector Skills Alliances actions (implementation support, unit costs):*

Working staff days of **Learners/Trainees, volunteers and persons working through subcontracting** (e.g. freelancers, self-employed persons, persons registered as sole traders) cannot be considered as eligible staff days and **are not accepted** as number of units, consumed or produced to be claimed for the calculation of the grant based on unit costs, except if the national legislations of the partners involved in the project consider these staff as "assimilated" to a permanent, temporary or interim staff. In this case, additional supporting documents may be requested in order to explain the national context.

#### **b) Subsistence costs**

Subsistence costs for staff taking part in the project are eligible under this budget heading. Reimbursement must be based on the existing internal rules of the beneficiary organisations and/or on the basis of actual costs (reimbursement of receipts). Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities.

Costs for subsistence (cost of accommodation, meals, local travel within the place of mission and sundry expenses) are eligible up to the actual amount spent. It is thus very important to keep all supporting documents. These may be requested by the Agency before making the final payment but should be kept available in any case for a possible ex-post audit/control. To be considered eligible, these costs must be reasonable, conform to local prices and be exclusively linked to the project.

If the beneficiary pays a flat-rate allowance to its staff to cover subsistence allowance, this can be reimbursed, provided that the amounts paid by the beneficiary are recorded in the project accounts and that they are in line with the beneficiary's usual practices of the beneficiary.

Payments in cash of such a per diem are to be avoided unless it can be demonstrated through justifying

accounting documents that such a payment is clearly identified and recorded in the official accounts of the beneficiary.

Where a common lunch or dinner is provided during a project event to its participants and this is charged separately to the project, the following rules should be applied:

- ✓ the relevant cost items should be reported under the " Other Direct costs" and details of the recipients should always be indicated;
- ✓ where one or more of the persons concerned by the common lunch/dinner (or other service that is otherwise included in the "per diem" amount) also receive the per diem amount, the relevant person's per diem must be reduced accordingly (and the relevant financial report should explicitly indicate such cases). Under no circumstances should the relevant amounts be charged to the project twice.

Examples of supporting documents that must be supplied when requested

- List of participants duly signed with clear identification of the activity/purpose of the journey, dates, names and functions of each of the participants in the action (e.g. beneficiary, expert, volunteer, etc.);
- Hotel bills;
- Internal rules defining modalities for the reimbursement of subsistence costs as the usual practices of the beneficiary.

Please note that no accommodation costs for local staff i.e. persons from a participating organisation may be requested if this organisation is located in the city where the meeting/event takes place.

### c) **Travel costs**

Travel costs for staff taking part in the project are considered eligible, provided that they are reasonable, justified and that they comply with the principle of sound financial management, in particular regarding economy and efficiency, and provided that these costs are in line with the beneficiaries' usual practices on travel costs. In order to prevent inflated travel costs, the grant agreement/grant decision states that such costs can be considered eligible, *provided* that they are in line with the beneficiary's usual practices on travel costs. Reimbursement in this case is based on the actual costs paid by the beneficiary. For example, if the beneficiary pays a flat-rate allowance to its staff, this can be reimbursed, provided that the amounts paid by the beneficiary are recorded in the project accounts.

Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. Beneficiaries are required to use the cheapest means of travel (e.g. use Apex tickets for air travel and take advantage of reduced fares, where this is not the case then a full explanation should be provided).

The travel cost for a journey should include all costs and all means for travel from the point of origin to the point of destination<sup>5</sup> (and vice versa) and may include visa fees, travel insurance and cancellation costs.

Examples of supporting documents that must be supplied when requested:

- tickets (plane, train, bus, etc.) and invoices (hotels, restaurants, travel agency);
- boarding pass;
- for car journeys: declaration stating the city of departure and arrival, the calculation method

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<sup>5</sup> In some exceptional cases where public transport is not available it may be necessary to take a taxi. Where several persons travel in the same taxi only one fare can be charged.

- with unit rate and number of units, dates and names and activities concerned;
- list of participants duly signed with clear identification of the activity/purpose of the trip, dates, names and functions of the participants in the project;
- proof that the payments have been made by the beneficiary/ies and are recorded in the accountancy.

*Knowledge Alliances and Sector Skills Alliances actions (mobility activities, unit costs):*

The coordinating institution shall ensure that all the mobility activities are:

- actually realised by the beneficiaries and they are able to demonstrate the formal link with the persons participating in mobility activities, whether they are involved in the project as staff or as learners;
- by default, the place of origin is understood as the place where the sending organisation is located and the place of venue as the place where the receiving organisation is located;
- supporting/complementing the other activities of the Alliance and bring added value in the realisation of the project's objectives.

To be noted (not eligible mobility activities):

Mobility activities are limited to learning mobility of students/learners and staff. They cannot be used to cover parts of the general project activities such as partners' travel to project events or partnership meetings.

**d) Depreciation of equipment costs**

Purchase, rent or lease of equipment (new or second-hand), including the installation, maintenance and insurance costs, are considered eligible cost only when they are specific and necessary for achieving the goals of the action. The rules for procurement defined in the grant agreement apply as well for the equipment costs.

There is no difference between new and second-hand equipment. The only impact may be on the period over which the equipment bought by the beneficiary will be depreciated.

In the case of purchase of equipment (which must have been indicated in the estimated budget), only the depreciation of equipment directly linked to the implementation of the action during the period of the project can be charged as eligible direct cost for the project, and as a rule only in respect of *“the portion of the equipment’s depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action, provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind”*. Beneficiaries are generally free to choose their depreciation rates and therefore the depreciation rules to be used are those applicable to the beneficiary. They must however comply with experience and practice in their sector of activity, general tax rules and the degree and conditions of use of the items concerned. Once the period of depreciation has been chosen, it must apply to any given category of goods used in similar conditions. Any derogation to the depreciation rule shall be indicated in the Special Conditions of the grant agreement (i.e. CBHE action).

Operational leasing (renting without buying option): the costs derived from the leasing of equipment (e.g. IT equipment, copiers...) can be considered as eligible, if this follows the beneficiary's normal

practices and does not exceed the costs of purchase of the equipment, provided that the general eligibility criteria of costs are met.

Equipment may be bought before the beginning of the action. If the equipment has not yet been fully depreciated according to the usual accounting practices of the beneficiary, then the remaining depreciation costs incurred during the duration of the action and calculated taking account of the amount of use, in percentage and time may be eligible.

ICT costs, such as computer equipment, or Internet connection, should be spread proportionally to all projects and main activities implemented by the beneficiary which incurred the cost. The pro rata charged to this EU project, should reflect the percentage of use of the ICT equipment and connection time in that project. The apportionment should be on a reasonable, justified and coherent basis, which should be readily available.

All equipment related to the administration of the project (e.g. PCs, portables, etc.) is covered by **indirect costs** of the project.

Examples of necessary supporting documents

- contracts and invoices. Invoices related to the purchase of equipment must bear the project reference, date of purchase and delivery;
- proof that the payments have been made by the beneficiary and are recorded in his accounts; for costs incurred through subcontracting, please refer to subcontracting and procurement rules.

Examples of calculation:

- with a project duration of 12 months: if the equipment needs to be written off over 3 years only 1/3 (33,33%) of the costs may be accepted for the project. In addition, the correct usage rate of the equipment needs to be indicated e.g. 2 months would correspond to a usage rate of 16,67 %. The correct application of the depreciation and usage rate may be checked at final report level.

#### e) **Costs entailed by procurement contracts awarded by the beneficiary**

Procurement contracts cover both implementation contracts and subcontracting of tasks forming part of the action (see also the grant agreement). The model grant agreement sets out the general rules for the award of procurement contracts in the general conditions (article II.9). These rules may be further defined in the special conditions of the grant agreement for procurement contracts with a value exceeding € 60 000.

Any contract has to be awarded to tenders offering the best value for money and in absence of conflict of interests.

Should a beneficiary fail to comply with these rules, the total amount of the procurement contract is to be declared **ineligible**. In this context, particular attention shall be paid to conflict of interests.

**1. Implementation contracts:** these contracts refer to the procurement of ordinary services, goods or equipment needed to carry out the project (e.g. dissemination of information, specific evaluation, audits, translations, reproduction...), including purchase of consumables and supplies (see section above). These contracts do not, however, imply any externalisation of activities included in the action described in the proposal.

**2. Subcontracting:** subcontracting refers to the implementation of specific tasks being part of the action as described in the annex to the grant agreement, by a third party, to which a procurement contract has been awarded by one or several beneficiaries. In this case, the general conditions of the standard grant agreement or grant decision set out a series of conditions as regards the eligibility of subcontracting costs (i.e. execution of a limited part of the action, maximum %, etc.).

In general, as specified in several Programme Guides of the Agency, coordination and/or project management tasks represent core activities and may not be subcontracted. The tasks concerned must be set out in the description of the action and the estimated costs of subcontracting must be clearly identifiable in the estimated budget.

Any recourse to subcontracting while the action is under way, if not provided for in the initial grant application, shall be communicated to the Agency for approval.

The subcontracted third party may not be employed by any of the beneficiary.

Costs are based on a verifiable estimate or, if the subcontractor is identified, on the basis of an offer. The estimate/offer will cover all costs (e.g. wages costs plus travel costs, etc.).

A procurement contract must at least indicate:

- the reference to the tender and offer;
- the reference to the EU action;
- the start/end date;
- the tasks to be implemented within a certain time schedule;
- the value of the contract (wages and ancillary costs);
- the payment modalities (amount or percentage and deliverables to be achieved; law applicable in case of dispute, etc.);
- date of signature of the procurement contract.

Examples of supporting documents that may be requested to support those costs:

- terms of reference/specifications of the tendering procedure, if any;
- request for quotation with reference to the project, activity and deadline for answering;
- quotations received dated and signed;
- evaluation committee's report;
- award decision;
- procurement contracts and invoices. Invoices related to services must also specify the date(s) on which the services were provided. Travel and accommodation costs, proof that the payments have been made by the beneficiary and are recorded in the accountancy.

Note: the beneficiary remains fully responsible towards the Agency for compliance with the obligations resulting from the Grant Agreement.

#### **f) Other costs**

Costs arising directly:

- ✓ Publications and dissemination: from requirements imposed by the grant agreement are eligible (e.g. dissemination of information, specific evaluation of the project, audits, translations, reproduction, website, etc.), including the costs of financial services (bank guarantees);
- ✓ Conferences and seminars: from the realisation of specific actions or of products/results of the project are eligible e.g. the organisation of seminars by the project team itself (where the seminar is foreseen as a product/result and where task-related costs are easily identifiable), the "in house" production of proceedings of a seminar, the production of a video, the purchase of product-related consumables (reams of paper for printing of publications, blank DVDs), etc. This should not include travel costs and subsistence costs for staff (to be included under "Travel and Subsistence").

- ✓ Other typical costs: such expenses under this budget heading may include other costs stemming from obligations under the grant agreement which are not budgeted for under another budget item, such as:
  - Project specific press releases and event advertisements (one-off costs);
  - Purchase of copyrights and other Intellectual Property Rights (IPR);
  - Room rental for project-related activities (but not the use of the Project Coordinator's/Beneficiary's or Beneficiary's own premises);
  - Purchase of information materials specific and key to the project implementation (books, studies, electronic data);
  - Conference fees; meeting registration costs;
  - Rental of exhibition space;
  - Intellectual property taxes connected with the publication of project materials e.g. CD-ROM;
  - Catering costs for a meeting or other event (where those being provided for are not members of the Contractor or Partner organisations);
  - Charges for financial services (fees for bank guarantee, etc.)
  - Audit costs (in accordance with the Grant Agreement).

Only activities which are specific and necessary for achieving the goals of the project are considered. When travel and/or subsistence costs are reimbursed to third parties (experts, speakers, etc.), actual costs are applicable.

If the activities related to publication, dissemination, conferences and seminars are subcontracted, the costs should be reported under subcontracting budget heading (procurement rules are applicable).

Examples of necessary supporting documents

- contracts and invoices;
- proof that the payments have been made by the beneficiaries and are recorded in his accounts.

#### **4.1.2 Indirect costs**

Under action grants, indirect eligible costs represent costs which cannot be identified as specific costs directly linked to the performance of the action which can be booked to it direct, but which is incurred by the beneficiary in connection with the eligible direct costs for the action (i.e. all costs related to the administration of the project e.g. consumables, supplies, photocopying costs, telephone costs, internet access, paper, etc., are covered by indirect costs of the project). They may not include any costs identifiable or declared as eligible direct costs.

The Agency imposes a flat-rate financing up to a maximum of 7 % of the total eligible direct costs of the action, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action. Indeed, in case of beneficiaries participating in an action grant and benefiting already of an operating grant, the indirect costs may not be financed twice. This simplifies grant management both for the beneficiary and the Agency, since supporting documents are not required. The percentage of funding applied to the indirect costs must be specified in the grant agreement or grant decision.

Indirect costs shall not be eligible under an action grant awarded to a beneficiary who **already** receives an operating grant from the Commission during the eligibility period in reference.

Examples of indirect costs are:



- All costs for equipment related to the administration of the project (e.g. PCs, portables, etc.);
- Communication costs (postage, fax, telephone, internet access, mailing, etc.);
- Infrastructure costs (rent, electricity, etc.) of the premises where the project is being carried out;
- Office supplies;
- Photocopies.

#### 4.1.3 Supporting documentation for simplified forms of grant

The beneficiaries must keep all supporting documents relating to their activities/outputs in the project no matter which beneficiary incurred the costs. The coordinator will collect a complete set of the main supporting documents, being the main contact organisation for the Agency.

The new financing system simplifies the administrative workload of the implementation of the project and also the progress and final reporting phases. Activities which are considered as eligible according to the criteria detailed above will become ineligible if they are **not supported by adequate supporting documents**.

The coordinator shall report on the project activities and results on behalf of the project as a whole, specifying all **the elements necessary to appreciate the reality of the generating event**.

**These supporting documents shall demonstrate the occurrence of the event**, i.e. proving the implementation of the tasks as foreseen in the work programme of the project and described in the progress/final report are for example:

- Proof of **activities** undertaken and **outputs** produced: such as leaflets, brochures, reports, analytical papers, press releases, websites, social media outputs, etc. They should remain available for checks and audits at the premises of the coordinator. Also, the relevant outputs have to be uploaded in the dissemination platform (<http://ec.europa.eu/programmes/erasmus-plus/projects/>). Other documents such as invoices, service contracts can serve as further proof for the activities;
- Proof of **partnership meetings**: such as agenda indicating time and place, attendance lists signed by the individual participants, individual travel tickets, minutes, reports, etc.;
- Proof of **events/conferences**: final programme, invitations, list of invitees/ mailing list, list of attendance signed by each participant, material for the conference (for ex. papers, presentations, leaflets, videos...), outputs of the conference (reports, web-site, evaluations, pictures,...);
- Proof of **mobility activities**: general description of the approach for the implementation of the mobility, such as main objectives, determination of sending and hosting organisations, selection of candidates, average duration, main learning/training outcomes planned, list of actual participants (name, sending organisation, hosting organisation, start date and end date of the mobility, e-mail contact). Documents such as (e-) tickets and/or (e-)boarding passes, signed attendance lists to events, invoices, service contracts can serve as further proof for the activities.

This list cannot be exhaustive as it depends on the actual outputs of the project. As a general rule, please keep all possible results to be able to show-case your activities. It is on these results that your final report will be assessed. In case of weak or insufficient implementation compared to the initial work packages at application stage, the final grant can be reduced.

*Knowledge Alliances and Sector Skills Alliances actions (unit costs):*

The supporting documents that directly justify the actual number of eligible units for project implementation support are:

- Proof of the **nature of the employment status** of the staff accounted for the project: employment contract, payslips. For non-conventional staff, provide the national legislation that assimilates such staff to an employment status, i.e. permanent, temporary or interim staff; (On request or in case of audit: extracts of the accounts showing that the respective staff appears in the accounts as employed by the organisation, bank transfers).
- Proof of the **number of days worked** for the project: a timesheet per person accounted for in the project. Timesheets are important and must allow a global reconciliation of working time of the concerned person for all activities he/she was managing for the organisation. An adequate system of time recording should mention the following information: documenting the total number of working time and the specific working days on the project (per each person working on the project), indicating the category of staff in terms of the 4 categories, presenting title and reference number of the EU project, reporting on a regular basis the time spent on the project (minimum on a monthly basis), clearly mentioning the number of hours/days, dated, signed and stamped by the staff member and by an authorised person (supervisor or head of department, etc.). On request or in case of audit: extracts of the analytical accounts showing the actual time dedicated to the particular project. This is important for organisations participating in several projects to avoid double funding.

The supporting documents that can directly justify the actual number of eligible units for mobility activities are:

- **Subsistence costs (duration):** for each participants, proof of attendance of the activity abroad in the form of a declaration signed by the receiving organisation, specifying the name of the participant, the purpose of the activity abroad as well as its starting and end date. Those documents should mention a clear reference to the project or directly ascribable/attribution to the project. Documents such as accommodation/hotel invoices, signed receipts by travelling persons receiving an allowance can serve as further proof for the subsistence costs. (On request or in case of audit: proof of payments, bank transfer);
- **Travel costs (distance):** (e-)tickets and/or (e-)boarding passes, when no tickets available: travel agency invoices indicating the name(s) of the traveller(s), the travel dates as well as place of departure and place of arrival. These documents will be seen in conjunction with the documents for subsistence costs, i.e. travel costs will only be reimbursed for a person for which the mobility activity has been confirmed by a declaration of the receiving organisation as described above. (On request or in case of audit: proof of payments, bank transfer).

## 4.2 Ineligible costs

Under no circumstances can the following types of costs be considered as eligible:

- Return on capital and dividends paid by a beneficiary;
- Debt and debt service charges;
- Provisions for losses or debts;
- Interest owed;
- Doubtful debts;
- Exchange losses;
- Costs of transfers from the Agency charged by the bank of a beneficiary;
- Costs declared by the beneficiary and covered by another action or work programme receiving a grant financed from the Union budget;
- Excessive or reckless expenditure;

- Contributions in kind from third parties;
- Deductible VAT

### 4.3 Determining the final amount of the grant

The maximum grant amount is defined in the grant agreement/grant decision, with reference either to a percentage of reimbursement of eligible costs, or to a flat-rate contribution, or to a combination of these options. Please refer to Article II.25 of the grant agreement for more information on the calculation of the final amount of the grant.

The final amount of the grant to be awarded to the beneficiary is established after completion of the action or work programme, upon:

- approval of a payment request accompanied by a final report providing details of the implementation and results of the action/work programme;
- verification of the implementation of the activities and/or of the production of the deliverables planned in the application;
- submission of supporting evidences required by the grant agreement (audit certificates, sampling of accounting evidences, etc.).

On that basis, **the final amount of the grant is to be calculated following 3 steps:**

#### STEP n°1: Validation of reports + determination of eligible amount

- Validation of Final Reports, "*Conforme aux Faits*", (for any form of grant);
- Determination of the total eligible amount (except for grant based entirely on flat rates/lump sums or unit costs)

a) *For grants based entirely on flat rates/lump sums or unit costs:*

The eligible amount of the grant will be determined solely on the basis of the final implementation report and on the qualitative and quantitative evidence allowing the verification of the compliance with the conditions defined in the description of the action. In case of only partial fulfilment of those conditions, the final payment will be prorated for the effective realization. When funding is determined on the basis of unit costs, this adjustment is automatic, simply by multiplying the unit cost by the consumed or number of units produced. For lump sums, the correction to be applied is specified in the agreement/decision with the applicable methodology to reduce the final amount if the terms of payment of the lump sum are partially fulfilled.

b) *For other grants, calculated in part or totally as eligible costs:*

The eligible amount of the grant will depend not only on the performance of the action but also on final eligible costs accepted. In addition, regardless of the costs incurred, the grant may be reduced in case of non-performance, weak implementation (poor, partial or late execution of the action).

#### STEP n°2: Application of double ceiling:

Application of percentage of reimbursement of eligible costs (except for grant based entirely on flat rates/lump sums or unit costs) (see under a));  
Application of overall ceiling expressed in terms of absolute value (see under b));  
Determination of the final grant amount (only for grant based entirely on flat rates/lump sums or unit costs) (see under c)).

a) When the grant takes the form of a refund of part of eligible costs, the theoretical amount of EU funding is established by application of the co-financing percentage of eligible costs provided for in the grant agreement/decision (Art. I.3 "Financing") to all the costs declared by the beneficiary and validated as eligible costs by the Agency.

Similarly, if a special clause provides for a limitation of the grant as a percentage of the total costs of the action (and not only eligible costs), this percentage will be applied to the total costs of the action as well. Only the smaller of the two values, obtained by applying the two percentages to eligible and total costs, will be kept.

b) It is then necessary to verify that the amount respects the overall ceiling of the EU grant, expressed in terms of absolute value. The total amount paid to beneficiaries by the Agency may in no circumstances exceed the maximum amount specified in the grant agreement. This is mandatory for any form of grant.

c) For the grant based entirely on flat rates/lump sums or unit costs, the final amount of the grant will be determined after consideration of the final implementation report, if the final amount is less than the overall ceiling expressed in terms of absolute value set in the agreement. Otherwise, if the final amount calculated is higher than estimated, the final amount of the grant will be limited to the absolute ceiling set out in the grant agreement.

### **STEP n°3 Non-profit rule + determination of final grant amount**

*Preliminary remark: This step is not applicable to grants based entirely on flat rates/lump sums or unit costs).*

Grants may not have the purpose or effect of producing a profit in the frame of the action implemented by the beneficiary. **Profit shall be defined as a surplus of receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance.**

The non-profit rule is not applicable to:

- actions intended to strengthen the financial capacity of the beneficiary or to generate income intended to ensure the continuity of the action after the end of the EU financing, if provided in the grant agreement/decision;
- scholarships, research or training scholarships paid to individuals;
- grant based entirely on flat rates/lump sums or unit costs, if covered by a EU Decision authorising the use of simplified forms of grants (respecting the provisions of FR, Art. 124);
- low value grants, namely grants for amounts up to maximum € 60.000.

**In all other cases**, the non-profit rule should be verified before the determination of the final amount of the grant. To this end, it remains essential to have a clear statement including the summary of all the eligible costs and receipts related to the action. *Receipts* should be understood as the *income generated by the action* and *financial contributions specifically earmarked by donors* to finance the same eligible costs as funded by the EU grant.

The beneficiary's own resources, or the revenue generated by the action after the settlement date of the final payment request, or any interest generated by the pre-financing payment(s) are not taken into account for the verification of the non-profit rule.

When the action has generated a surplus of receipts, the Agency shall recover the profit in proportion to the EU's financing of eligible costs actually incurred (thus excluding other eligible costs declared on the basis of flat rates/lump sums or unit costs). The recovery amount is calculated in applying the percentage of reimbursement of actual costs incurred, as determined at the time of balance payment based on the amount of the grant obtained after following steps 1 and 2 above. As for example:

a) Initial budget of eligible costs: .....	€ 100,000
b) Rate of financing of eligible costs, actually incurred: .....	50%
c) Maximum grant according to Article I.3: .....	€ 50,000
d) Total amount of eligible costs declared by beneficiary: .....	€ 58,840
e) Total amount of eligible costs accepted after verification: .....	€ 58,840
f) EU contribution (double ceiling: e) x 50 % limited to c) = 50% x €58,840 = .....	€ 29,420
g) Receipts to be taken into account for the verification of the non-profit rule (g1+ g2): ...	€ 33.840
g1) Financial contributions from third parties earmarked to the eligible costs:.....	€ 33.840
g2) Income generated by the action: .....	€ 0
h) total amount of profit (=f+g-e):.....	€ 4.420
h1) Reimbursement percentage of actual eligible costs accepted (= f/e):.....	50 %
h2) Profit reduced pro rata (=h * h1):.....	€ 2.210
i) Final Grant (=f-h2): .....	€ 27.210

#### 4.4 Checks and audits

Please refer to the article II.27 of the general conditions of the grant agreements for more information on possible checks and audits (or article 27 for grant decisions).

For simplified forms of grants, audits and controls of grants awarded in the form of unit costs financing still remain relevant and necessary. The primary aim of a control or an audit in this particular case is to verify that the terms of the Grant agreement have been met and notably to what extent the objectives were achieved. The emphasis should thus be placed on the technical verification with the intention to justify that what has been reported corresponds to reality and that the payment has been or will be made accordingly. As under other types of Grant agreements or decisions, beneficiaries are bound by the obligation to preserve all documentation that is relevant to the co-financed action or work programme during a five- year period from the date of the payment of the balance, or three years in case of low value grants. **Those supporting documents shall not consist of the accounting statements necessary for demonstrating the underlying costs actually incurred.** Extracts of accounts may be requested in certain cases for a qualitative check, such as for example the nature of the employment contracts of staff accounted for the project, the working times of a staff member or money transfers in the context of the project.

Therefore, although within the simplified forms of grants the administrative work of collecting documentation is reduced; it is worth insisting on the following:

- all supporting documents relating to the eligible activities and the eligible unit costs of the project's implementation must be gathered by the coordinator organisation (signatory of the agreement) whether the costs relate to the own organisation or to the beneficiaries;
- all documents should state the project's reference and possibly the reference to the relating Work Programme's activity;

- the importance of having a separate bank account (or sub account that allows identification of payments made) for the project funds;
- the need to have a good accounting and internal control system leading to transparency. This has to be reflected in a reliable and easy audit trail, where financial data can be traced from general ledger to source documents and which constitutes a basis of objectivity.

## 5. Publicity obligations

### Publicity:

Project beneficiaries must make themselves familiar with the publicity provisions as stipulated both in the specific and the general provisions of the Grant Agreement/Decision in conjunction with the guidelines on the following Agency website:

[https://eacea.ec.europa.eu/about-eacea/visual-identity\\_en](https://eacea.ec.europa.eu/about-eacea/visual-identity_en)

Any communication or publication related to the Project, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc.), must indicate that the project has received funding from the Union and must display the European Union emblem. When displayed in association with another logo, the European Union emblem must have appropriate prominence.

### Disclaimer:

This project has been funded with support from the European Commission. This publication **[communication]** reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

For other official EU language versions, reference must be made to the following website:

[http://ec.europa.eu/dgs/education\\_culture/publ/graphics/beneficiaries\\_all.pdf](http://ec.europa.eu/dgs/education_culture/publ/graphics/beneficiaries_all.pdf)

### Erasmus+ logo:

The project's publications and results that are distributed must carry the Erasmus+ logo and mention "Co-funded by the Erasmus+ Programme of the European Union" (for projects funded by the E+ programme alone, "co-funded" should be replaced by "funded"):

Example of logo to be used:



## 6. Dissemination and exploitation of results

6.1. EU (co-)funded projects have the responsibility to put emphasis on dissemination and exploitation of results, as they directly contribute to the impact of the programme and to public awareness of their functioning and results. Grant beneficiaries must make themselves familiar with the underlying principles and tools and take them fully into account during the project implementation phase. A first source of information is the Annex II of the Erasmus+ Programme

Guide called "Dissemination and exploitation of results – a practical guide for beneficiaries" available at:

[http://ec.europa.eu/programmes/erasmus-plus/documents/erasmus-plus-programme-guide\\_en.pdf](http://ec.europa.eu/programmes/erasmus-plus/documents/erasmus-plus-programme-guide_en.pdf)

The following provisions can serve as an example model:

### ***[Purpose of dissemination and exploitation activities]***

*Significant emphasis is placed on the impact of EU co-financed projects and on ensuring that what they produce will be widely known about and widely used. The results generated, lessons learned and the experience gained by the project should be made available to the widest possible community.*

*The objective of dissemination and exploitation is to maximise the impact of project results by optimising their value, strengthening their impact, transferring them to different contexts, integrating them in a sustainable way and using them actively in systems and practices at local, regional, national and European levels.*

*Whenever appropriate, projects are encouraged to make the results available through open licences/open educational resources (OER).*

*When undertaking dissemination and exploitation activities, it should be kept in mind that many other EU-funded projects and programmes have been implemented before the Erasmus+ programme started. Beneficiaries are recommended to use existing tools and databases for good practice examples, e.g.:*

*[Brochure "Dissemination and exploitation of results – examples of good practice 2007-2011: [http://eacea.ec.europa.eu/llp/results\\_projects/projects\\_by\\_theme\\_en.php](http://eacea.ec.europa.eu/llp/results_projects/projects_by_theme_en.php)]*

### ***[What are the project results]***

*The results of the project may be of a diverse nature and consist of concrete (tangible) results as well as skills and personal experiences (intangible results) that both project coordinators and participants to the activities have acquired. The different categories of results may require different approaches for dissemination and exploitation. For example, tangible results such as 'products' may be easily demonstrated with actual items, graphical representations and samples, whereas intangible results such as 'experiences' may require alternative methods of display such as survey results, interview analysis and accreditation programmes.*

### ***[How to plan successful dissemination and exploitation]***

*Having a strong plan for dissemination and exploitation from the beginning of a project is a key priority. In planning/updating these activities, the project team should address the following main questions:*

- What needs does the project meet?
- What are the expected results?
- Which users will benefit from the project's results?
- To reach these users, in which languages should the products be disseminated?

*Key elements of a dissemination and exploitation plan are among others:*

- The types of activity – the methods and mechanisms, the languages to be used;
- The resources – people and budget including for translation;

- The timetable;
- The strategy beyond the project's lifetime and beyond the partnership.

***[How to disseminate and exploit results]***

*In order to reach as many people as possible, it is advisable to translate as many communication materials and project outputs in as many languages as possible. It is recommended to cover all languages of the partnership and English; the cost of these translations could be included in the grant request if necessary.*

*There are many different ways to disseminate and exploit results. Beneficiaries could use:*

- the EU Dissemination Platform (see below);
- project or organisational websites;
- meetings and visits to key stakeholders;
- dedicated discussion opportunities such as information sessions, workshops, seminars, training courses, exhibitions, demonstrations, or peer reviews;
- targeted written material such as reports, articles in specialised press, newsletters, press releases, leaflets or brochures;
- audiovisual media and products such as radio, TV, video clips, podcasts or apps;
- social media;
- public events;
- project branding and logos;
- existing contacts and networks.

***[When should dissemination and exploitation activities be carried out]***

*Dissemination and exploitation of results are an integral part of the Erasmus+ project throughout its lifetime: Examples of activities at different stages of the project cycle are:*

***BEFORE*** the project starts (NB: costs associated to those activities are not considered eligible)

- drafting the dissemination and exploitation plan;
- definition of the expected impact and deliverables;
- consideration of how and to whom dissemination and exploitation outcomes will be disseminated.

***DURING*** the project

- putting in place and maintaining a project website;



- updating the dissemination platform with recent information on the project and results;
- contacting relevant media e.g. at local or regional level;
- conducting regular activities such as information sessions, training, demonstrations, peer reviews;
- assessing the impact on target groups;
- involving other stakeholders in view of transferring results to end users/ new areas/policies;
- involving policy-makers.

***AFTER** the project (NB: costs associated to those activities are not considered eligible. The following advice is not a contractual obligation, but should be considered as good project practice)*

- contacting policy-makers at wider scale;
- continuing further dissemination (as described above);
- developing ideas for future cooperation;
- evaluating achievements and impact;
- contacting relevant media.

***[How to assess success]***

*The impact assessment is an essential part of the process. It evaluates achievements and generates recommendations for future improvements. Indicators could be used to measure progress towards goals. These are signs that help measuring performance. Indicators can be both quantitative relating to numbers and percentages as well as qualitative relating to the quality of the participation and experience. Questionnaires, interviews, and assessments could also be used to measure the impact. Defining indicators relating to the different project activities should be foreseen at the start of the project and part of the overall dissemination plan. Some examples:*

- Facts and figures related to the website of project organisers (updates, visits, consultation, cross referencing);
- Number of meetings with key stakeholders/public authorities;
- Number of participants (institutions and individuals) involved in experimentation, discussions and information sessions (workshops, seminars, peer reviews); follow-up measures;
- Production and circulation of products;
- Media coverage (articles in specialised press newsletters, press releases, interviews, etc.);
- Visibility in the social media;

- Participation in public events;
- Links with existing networks and transnational partners; transfer of information and know-how;
- Impact on regional, national, EU policy measures;
- Feedback from end-users, other stakeholders, peers, policy-makers.

*The dissemination and exploitation plan should be regularly reviewed, and if necessary corrective action should be taken in close cooperation and in agreement with the Agency.*

## 6.2. Use of the results of the action

Erasmus+ promotes the open access to materials, documents and media that are useful for learning, teaching, training, youth work and are produced by projects funded by the Programme. Beneficiaries of Erasmus+ grants producing any such materials, documents and media in the scope of any funded project must make them available for the public, in digital form, freely accessible through the Internet under open licences. Beneficiaries are nonetheless allowed to define the most appropriate level of open access, including limitations (e.g. interdiction of commercial exploitation by third parties) if appropriate in relation to the nature of the project and to the type of material. The open access requirement is without prejudice to the intellectual property rights of the grant beneficiaries.

## **7. Penalties in the case of non-compliance with publicity obligations and for poor, partial, or late implementation**

*How to calculate the final grant amount in case of application of penalties? Consider always the MINIMUM grant amount (final grant amount calculated on the basis of the approved eligible costs vs. final grant amount calculated on the basis of the reduced maximum grant after application of penalties). The final grant amount is the lower one.*

*How to deal with a project delivering results partly in compliance with the publicity requirements, and partly not? The entire 20% reduction may be applied, depending of the proportionality principle.*

*In case of two penalties, i.e. both penalty on publicity and for poor, partial or late implementation, the percentages of each penalty should be added and applied to the grant initially provided for, only when we may ensure that the poor or partial implementation do not concern publicity obligations too, and taking care of the principle of proportionality.*

### 7.1 Publicity

The obligation to comply with the publicity provision set out in article II.7 of the grant of agreement (*General Condition n° 7 for grant decisions*) constitutes a substantial obligation. Without prejudice to the right to terminate the grant, in case of failure to fulfil this obligation, the Agency may apply a 20% reduction of the grant initially provided for.

### 7.2 Poor, partial, or late implementation

Poor, partial or late implementation of the project may be established by the Agency on the basis of:

- The final report submitted by the coordinator,
- The products and outputs (where applicable) produced by the project,
- Information received from any other relevant source proving that the project is not implemented in accordance with the contractual provisions; other sources of information may include monitoring visits, desk checks or on the spot checks undertaken by the Agency.

The final report, products and outputs will be assessed by the Agency, where applicable with the help of external experts, using a common set of quality criteria such as:

- [The extent to which the project was implemented in line with the approved grant application;]
- [The quality of activities undertaken and their consistency with the project objectives;]
- [The quality of the products and outputs produced;]
- [The learning outcomes and impact on participants;]
- [The extent to which the project proved to be innovative/complementary to other initiatives;]
- [The extent to which the project proved to add value at EU level;]
- [The extent to which the project implemented effective quality measures as well as measures for evaluating the project's outcomes;]
- [The impact on the participating organisations;]
- [In case of learning, teaching and training activities: the quality of the practical arrangements provided in support of the mobility, in terms of preparation, monitoring and support to participants during their mobility activity, the quality arrangements for the recognition/validation of the learning outcomes of participants;]
- [The quality and scope of the dissemination activities undertaken;]
- [The potential wider impact of the project on individuals and organisations beyond the beneficiaries.]

The final report will be evaluated on the basis of quality criteria and scored on a total of maximum 100 points. If the final report scores below 50 points in total, the Agency may reduce the final grant amount on the basis of poor, partial or late implementation of the project even if all activities reported were eligible and actually took place. A reduction may be applied to the grant initially provided for of:

- 25% if the final report scores at least 40 points and below 50 points;
- 35% if the final report scores at least 30 and below 40 points;
- 55% if the final report scores at least 20 and below 30 points;
- 75% if the final report scores below 20 points.

## 8. Reporting

### Disclaimer

The Agency is currently revising its reporting procedure and is moving towards an eReporting system. This section of the Handbook will be updated as soon as the new rules for submitting reports are in place. Meanwhile, please refer to the currently available documents for preparing the reports as the information required will not be modified, only the procedure for submitting reports.

### 8.1 Purpose of the reports

Reporting on your project's progress and achievements is both a crucial and beneficial part of the project management process. The reports you are required to submit serve a dual purpose:

- For your own benefit and use. The reports are means of communication between you and your peers about the project implementation. In addition, reports allow you to share the knowledge created via the project at the disposal of a wider community. Through their dissemination, you increase the potential for discovering initiatives that share common ground with yours and you increase the chances of being contacted by interested parties with useful input or feedback.
- For the Agency's benefit and use. The assessment of the reports enables the Agency to take a decision on the continuation of the project. You will be required to submit a Mid-term Report or several Mid-term Reports (*if applicable*) and a Final Report. Approval of the 1<sup>st</sup> Mid-term Report leads to the launch of the second prefinancing payment and approval of the Final Report leads to the final payment. There is no further pre-financing payment at the submission of the 2<sup>nd</sup> Mid-term Report. The Mid-term Reports provide the Agency with an update on how a project is advancing against original plans and budgets, while the Final Report is due at the end of the project and allows the overall evaluation of the project.

In order to provide a practical and structured means for a project to report its progress and final achievements, the Agency has prepared report templates - including a financial reporting table which could be found: [http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space\\_en](http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space_en)

### 8.2 Reporting period

The Mid-term Reporting period and deadline for submission of Mid-term Report/s is specified in the grant agreement. Late submission may considerably delay the process of analysing and assessing the report and making the payment. The Mid-term Report must cover the period referred to above.

A final report, covering the reporting for the entire project duration must be submitted at the latest **two** months after the end of the project

### 8.3 Instructions to complete the reports

Please note the following points before you produce and submit your report to the Agency:

- You must use the appropriate reporting templates and financial tables provided on the Agency's website.
- All sections and tables of the report templates must be completed.
- The report should be written in one of the official working languages of the EU (English, French or German).
- The report must be sent electronically to: [EACEA-POLICY-SUPPORT@ec.europa.eu](mailto:EACEA-POLICY-SUPPORT@ec.europa.eu) , including a CD-ROM, USB key or other electronic device containing all products and other supporting documents to be sent to the address indicated in Art.1.6.2 of the grant agreement. The Agency

- acknowledges receipt of the report by email and, if necessary, requests further information.
- The report should not be used as a means to signal major changes. These are subject to formal amendment requests that should be submitted separately, at any event, within a minimum of 30 days before the end of the eligibility period
- Even if the second Mid-term Report (if applicable) is not linked to a payment (article 1.4.1 of the grant agreement), you are still required to submit the Statement of account. Please note that the purpose of the financial analysis is to provide beneficiaries with relevant feedback and time to take appropriate measures accordingly. The total eligible costs will be determined only at the reception of the Final Report.

#### **8.4 The final report consists of a narrative and a financial part**

- Narrative part

You will be requested to describe the project implementation in detail. The final report template can be downloaded in the 'Beneficiaries space': [http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space\\_en](http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space_en)  
You will also be requested to provide examples of the products arising from the project (e.g. training materials, videos, handbooks and guides, etc.).

- Financial part

You will be requested to present the financial aspects of the project implementation in detail. The budget table template can be downloaded in the 'Beneficiaries space': [http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space\\_en](http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space_en)

You must keep all supporting documents and records for a period of five years after the final balance of the grant is paid in case of audit. This period shall be limited to three years in case the maximum amount specified in Article I.3 of the grant agreement is lower than EUR 60 000.

Reporting of expenses based on actual/real costs

##### a. Real costs higher than 60.000 EUR

If the real costs of your projects are higher than 60.000 EUR you are requested to submit an audit report produced by an external independent auditor. Please refer to Annex VI of the Grant Decision/Agreement for further details.

The following links provide the 'Guidance Notes' on the Audit Report:

Type I:

[https://eacea.ec.europa.eu/sites/eacea-site/files/annex\\_iii\\_guidance\\_notes\\_audit\\_type\\_i\\_03-2014\\_en.pdf](https://eacea.ec.europa.eu/sites/eacea-site/files/annex_iii_guidance_notes_audit_type_i_03-2014_en.pdf)

Type II:

[https://eacea.ec.europa.eu/sites/eacea-site/files/annex\\_iv\\_guidance\\_notes\\_audit\\_type\\_ii\\_03-2014\\_en.pdf](https://eacea.ec.europa.eu/sites/eacea-site/files/annex_iv_guidance_notes_audit_type_ii_03-2014_en.pdf)

It is important to select the auditor well in advance to avoid delays in submitting the final report.

The costs of the audit certificate are eligible costs of the project.

A template for your engagement letter with the auditor is available in the Guidance Notes together with the exact role and procedures to be respected by the auditor.

##### b. Real costs lower than 60.000 EUR

If the real costs of your project are lower than 60.000 EUR, you will be requested to present the financial aspects of your project as follows:

- You will be asked to submit a list of invoices
- You will be asked for copies of some of these invoices at EACEA's request

#### **8.5 Possible reimbursement of part of the grant**

The Agency will analyse the declaration of expenditure in order to arrive at the final EU grant. This analysis may lead to a request for reimbursement of a certain amount. If the beneficiary has to reimburse a certain amount a recovery order will be issued by the Agency for the agreement in

question. The financial analysis of the Final Report will be explained to the Beneficiary in a settlement letter.

## **8.6 Additional Interim Reports**

In addition to the reports detailed in this chapter, the Agency may, at any time, request the Beneficiary to produce an additional report on the progress of the project to date, covering both its technical and financial aspects. The purpose of such an additional report is to verify that high quality is being managed and implemented in accordance with the rules set out in the grant agreement and their annexes.

## **8.7 Processing the Reports**

This document will only be viewed and assessed by representatives of the Agency with in most cases the support of independent experts, to judge the project performance and decide upon the payment of the due part of the grant.

### ➤ Incompleteness of a report

If a report is incomplete (for instance, some parts are missing or incorrect), the Agency may request that further information be supplied and provided through the submission of a new, updated version of the report. In this case, the period foreseen in the contract for payment will be suspended until the additional information has been received by the Agency.

### ➤ Rejection of a report

In addition, there are a number of elements that are indispensable for the Agency to carry out an analysis of the report. The absence of any of these elements would render the Agency unable to assess the report and would thus lead to a rejection of the report until the missing information had been provided. The rejection letter is addressed to the beneficiary and mentioned the reasons which justify the rejection.

The consequence is the application of the article II.24.5 of the grant agreement "Suspension of the time limit for payment".

Hereafter the most common reasons for rejecting reports:

- lack of signature by the legal representative or signed by an unauthorized person
- the financial report (electronic version) is missing or the amounts presented are not in accordance with the agreed budget (initial or last amended budget);
- the report, including the financial report, has been submitted using wrong templates and/or not using the correct excel reporting tool;
- the report has been submitted in a language other than English, French or German.

In case that a report is not complete and additional information needs to be submitted, the related payment is likely to be delayed.

Once the assessment is complete, the Agency will inform the project with an acceptance letter, on the final evaluation results e.g. its decision and feedback on the project's progress and achievements.