

## **ANNEX III – FINANCIAL AND CONTRACTUAL RULES**

### **I. RULES APPLICABLE TO BUDGET CATEGORIES BASED ON UNIT CONTRIBUTIONS**

#### **I.1 Conditions for eligibility of unit contributions**

Where the grant takes the form of a unit contribution, the number of units must comply with the following conditions:

- (a) the units must be actually used or produced in the period set out in Article I.2.2 of the Special Conditions;
- (b) the units must be necessary for implementing the Project or produced by it;
- (c) the number of units must be identifiable and verifiable, in particular supported by records and documentation specified in this Annex.

#### **I.2 Calculation and supporting documents for unit contributions**

##### **A. Project management and implementation**

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of months of the project duration by the unit contribution applicable to the beneficiary, as specified in Annex IV of the Agreement. The beneficiaries shall agree on the distribution of the amount between them depending on their respective workload and contribution to the project activities and results.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the beneficiary implements the activities and produces the outputs to be covered from this budget category as applied for in the grant application and as approved by the National Agency.
- (c) Supporting documents: proof of activities undertaken and outputs produced will be provided in the form of a description of these activities and outputs in the final report. In addition, outputs produced will be uploaded by the coordinator in the Erasmus+ Project Results Platform and, depending on their nature, available for checks and audits at the premises of the beneficiaries.
- (d) Reporting: on behalf of the Project as a whole, the coordinator shall report on the final distribution of funds and on undertaken activities and results.

##### **B. Transnational project meetings**

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participations by the unit contribution applicable, as specified in Annex IV of the Agreement.

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. If a different place of origin or venue is reported, the beneficiary shall provide the reason for this difference.

- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually participated in the transnational project meeting and undertaken the reported travel.

- (c) Supporting documents:

- For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date;
- In case of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary shall be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.
- Proof of attendance of the transnational project meeting in the form of a participants list signed by the participants and the receiving organisation specifying the name, date and place of the transnational project meeting, and for each participant: name, e-mail address and signature of the person, name and address of the sending organisation of the person;
- Detailed agenda and any documents used or distributed at the transnational project meeting.

- (d) Reporting:

- The coordinator shall report on the venue of the meeting, the date and the number of participants.
- In all cases, the beneficiaries shall be able to demonstrate a formal link with the persons participating in transnational project meetings, whether they are involved in the Project as staff (whether on a professional or voluntary basis) or as learners of the beneficiary organisations.

### **C. Intellectual outputs**

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of days of work performed by the staff of the beneficiaries by the unit contribution applicable per day for the category of staff for the country in which the beneficiary concerned is established, as specified in Annex IV of the Agreement. The category applicable does not relate to the professional profile of the person, but to the function performed by the person in relation to the development of the intellectual output.

- Staff costs for managers and administrative staff are expected to be covered already under the "Project management and implementation" budget item. These costs can be used under the "Intellectual Outputs" budget item only if applied for and approved by the NA, as specified in Annex II.

(b) Triggering event: the event that conditions the entitlement to the grant is that the intellectual output has been produced and that it is of an acceptable quality level, as determined by the evaluation of the NA.

(c) Supporting documents:

- proof of the intellectual output produced, which will be uploaded in the Erasmus+ Project Results Platform and/or, depending on its nature, available for checks and audits at the premises of the beneficiaries;

- proof of the staff time invested in the production of the intellectual output in the form of a time sheet per person, identifying the name of the person, the category of staff in terms of the 4 categories specified in Annex IV, the dates and the total number of days of work of the person for the production of the intellectual output.

- proof of the nature of the relationship between the person and the beneficiary concerned (such as type of employment contract, voluntary work, etc.), as registered in the official records of the beneficiary. In all cases, the beneficiaries must be able to demonstrate the formal link with the staff member concerned, whether the person is involved in the Project on a professional or voluntary basis. Staff working for a beneficiary on the basis of service contract (e.g. translators, web designer etc.) is not considered as staff of the organisation concerned. Their working time can therefore not be claimed under "intellectual outputs" but may be eligible under "exceptional costs" under the conditions specified in the related section below.

(d) Reporting:

- On behalf of the Project as a whole, the coordinator shall report on the activities undertaken and results produced. The coordinator shall include information on the start and end date and on the number of days of work per category of staff for each of the beneficiaries cooperating directly on the development of intellectual outputs.

#### **D. Multiplier events**

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of participants from organisations other than the beneficiary and other project partner organisations as specified in the Agreement by the unit contribution applicable per participant, as specified in Annex IV of the Agreement.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the multiplier event has taken place and that it is of an acceptable quality level, as determined by the evaluation of the NA.
- (c) Supporting documents:
- Proof of attendance of the multiplier event in the form of a participants list signed by the participants specifying the name, date and place of the multiplier event, and for each participant: name, e-mail address and signature of the person, name and address of the sending organisation of the person;
  - Detailed agenda and any documents used or distributed at the multiplier event.
- (d) Reporting:
- On behalf of the Project as a whole, the coordinator shall report on the description of the multiplier event, the intellectual outputs covered, the leading and participating organisations, the venue of the meeting and the numbers of local and international participants
  - In the case that the beneficiaries do not develop the intellectual outputs applied for and approved by the NA, the related Multiplier events will not be considered eligible for grant support either. If the NA awarded support for the development of several intellectual outputs but only some of them are ultimately realised, the NA shall determine to which extent each of the related Multiplier events is eligible for grant support.

## **E. Learning, teaching and training activities**

- (a) Calculation of the grant amount: the grant amount takes the form of a unit contribution towards the travel, individual support and linguistic support. It is calculated as follows:
- Travel: the grant amount is calculated by multiplying the number of participants by the unit contribution applicable to the distance band for the travel, as specified in Annex IV of the Agreement; for the establishment of the distance band applicable, the coordinator shall use the on-line distance calculator available on the Commission's website at [http://ec.europa.eu/programmes/erasmus-plus/tools/distance\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm).
  - Individual support: the grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons staying up to 60 days, by the unit contribution applicable per day/month for the type of participant and for

the host country concerned, as specified in Annex IV of the Agreement. In the case of incomplete months for activities exceeding 2 months, the grant amount is calculated by multiplying the number of days of the incomplete month by 1/30 of the unit contribution per month. If necessary, the beneficiary may add one day for travel directly before the first day of the activity abroad and one day for travel directly following the last day of the activity abroad; these extra days for travel will be considered for the calculation of the individual support.

- Linguistic support: the grant amount is calculated by multiplying the total number of participants receiving linguistic support by the unit contribution applicable, as specified in Annex IV of the Agreement.
- Support to participants in Learning, teaching and training activities taking place in their own country is eligible, provided that the activities involve participants from beneficiary organisations from at least two different Programme Countries and that the distance between the place of departure and place of arrival as specified above is at least 100 km following the online distance band calculator.
- In all cases, the beneficiaries must be able to demonstrate the formal link with the persons participating in Transnational training, teaching or learning activities, whether they are involved in the Project as staff (either on a professional or a voluntary basis) or as learners. [for HE only: External experts – invited staff from HEIs not participating in the consortium, from companies or other associations – can also participate in Intensive Study Programmes.] [for youth only: However, such formal link is not required for young people participating in blended mobility and youth workers participating in short-term staff training events.]

(b) Triggering event:

- Travel: the triggering event for the entitlement to the grant is that the participant has actually undertaken the reported travel.
- Individual support: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.
- Linguistic support: the triggering event for the entitlement to the grant is that the participant has undertaken an activity exceeding 2 months and that the person has actually undertaken language preparation in the language of instruction or of work.

(c) Supporting documents:

(i) Travel

- For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity in the form of a declaration signed by

the receiving organisation specifying the name, the e-mail address of the participant, the purpose of the activity, as well as its starting and end date;

- In exceptional cases of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary shall be supported with travel tickets or other invoices specifying the place of departure and the place of arrival In duly justified exceptional cases when the third party evidence cannot be provided, the beneficiary and the receiving organisation can sign a declaration specifying the place of departure and the place of arrival].

(ii) Individual support

- Proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date;

(iii) Linguistic support

- Proof of attendance of courses in the form of a declaration signed by the course provider, specifying the name of the participant, the language taught, the format and duration of the linguistic support provided, or
- Invoice for the purchase of learning materials, specifying the language concerned, the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice, or
- In case the linguistic support is provided directly by the beneficiary: a declaration signed and dated by the participant, specifying the name of the participant, the language taught, the format and duration of the linguistic support received.

(d) Reporting:

- The coordinator shall report on the venue of all Transnational learning, teaching and training activities, the date and the number of participants.

## **II. RULES APPLICABLE FOR THE BUDGET CATEGORIES BASED ON REIMBURSEMENT OF ACTUAL INCURRED COSTS**

### **II.1. Conditions for the reimbursement of actual costs**

Where the grant takes the form of a reimbursement of actual costs, the following conditions shall apply:

- (a) they are incurred by the beneficiary;
- (b) they are incurred in the period set out in Article I.2.2.;
- (c) they are indicated in the estimated budget set out in Annex II or eligible following budget transfers in accordance with Article I.3.3;
- (d) they are incurred in connection with the Project as described in Annex II and are necessary for its implementation;
- (e) they are identifiable and verifiable, in particular are recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
- (f) they comply with the requirements of applicable tax and social legislation;
- (g) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (h) they are not covered by a unit contribution as specified in Section I of this Annex.

## **II.2. Calculation of actual cost**

### **A. Special needs support**

- (a) Calculation of the grant amount: the grant is a reimbursement of 100% of the eligible costs actually incurred.
- (b) Eligible costs: costs directly related to participants with disabilities and accompanying persons beyond the 60<sup>th</sup> day of stay and that are additional to costs supported by a unit contribution as specified in Section I of this Annex.
- (c) Supporting documents: invoices of the actual costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.

### **B. Exceptional costs**

- (a) Calculation of the grant amount: the grant equals the reimbursement of 75% of the eligible costs actually incurred with a maximum of € 50.000 per project excluding the costs of a financial guarantee if required by the Agreement; and of 80% of the eligible costs for expensive travel costs of participants from outermost regions and OCTs.
- (b) Eligible costs:
  - Sub-contracting: sub-contracting and purchase of goods and services in so far as applied for by the beneficiary and in so far as approved by the NA as specified in Annex II;

- Financial guarantee: costs relating to a pre-financing guarantee lodged by the beneficiary where such guarantee is required by the NA, as specified in Article I.4.2 of the Agreement.
- Costs of travel for participants of outermost regions and OCTs for which the standard funding rule does not cover at least 70% of the eligible costs;
- Cost related to the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with Article II.10 and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary. The costs of rental or lease of equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee. In the case of equipment purchase, rental or lease only the amount corresponding to the share of time of the use of the equipment for the project can be claimed.

(c) Supporting documents:

- Sub-contracting: invoices of the actual costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.
- Financial guarantee: proof of the cost the financial guarantee issued by the body providing the guarantee to the beneficiary, specifying the name and address of the body issuing the financial guarantee, the amount and currency of the cost of the guarantee, and providing the date and signature of the legal representative of the body issuing the guarantee.
- Depreciations costs: proof of the purchase, rental or lease of the equipment, as recorded in the beneficiary's accounting statements, justifying that these costs correspond to the period set out in Article I.2.2 and the rate of actual use for the purposes of the Project may be taken into account;
- In the case of the costs for travel for participants from outermost regions and OCTs, proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.

### **III. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES**

- a) The beneficiaries shall ensure that the activities of the project for which grant support was awarded are eligible in accordance with the rules set out in the Erasmus+ Programme Guide for each Key Action and each field.

- b) Activities undertaken that are not compliant with the rules set out in the Erasmus+ Programme Guide as complemented by the rules set out in this Annex shall be declared ineligible by the NA and the grant amounts corresponding to the activities concerned shall be reimbursed in full. The reimbursement shall cover all budget categories for which a grant was awarded in relation to the activity that is declared ineligible.
- c) The eligible minimum duration of mobility activities specified in the Programme Guide is the minimum duration of the activity excluding time for travel.

#### **IV. RULES AND CONDITIONS FOR GRANT REDUCTION FOR POOR, PARTIAL OR LATE IMPLEMENTATION**

- Poor, partial or late implementation of the Project may be established by the NA on the basis of:
  - The final report submitted by the coordinator;
  - The products and outputs produced by the project;
- The NA may consider also 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 NA.
- 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 NA 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.
- **[For HE accredited organisations only]**: In the case of accredited organisations, if the NA considers that the implementation of the Project does not respect the quality commitment undertaken by the beneficiaries, the NA may in addition or alternatively impose the implementation of an action plan to ensure respect of the applicable quality and compliance requirements by the beneficiaries concerned within a given timeframe. If the beneficiaries do not implement the action plan satisfactorily by the due date, the NA may withdraw the accreditation of the beneficiaries concerned.
- The final report, products and outputs will be assessed by the NA, using a common set of quality criteria focusing on:
  - 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
- A grant reduction based on poor, partial or late implementation may be applied to the total final amount of eligible expenses and may be of:
    - 25% if the final report scores at least 40 points and below 50 points;
    - 50% if the final report scores at least 25 points and below 40 points;
    - 75% if the final report scores below 25 points.

## **V. CHECKS OF GRANT BENEFICIARIES AND PROVISION OF SUPPORTING DOCUMENTS**

In accordance with Article II.27, the beneficiaries may be subject to checks and audits in relation to the Agreement. Checks and audits aim at verifying whether the beneficiaries managed the grant in respect of the rules set out in the Agreement, in order to establish the final grant amount to which the beneficiaries are entitled.

A final report check shall be performed for all projects. In addition, the project may be subject to a further desk check or on-the-spot check if the project Agreement is included in the NA

sample required by the European Commission or if the NA selected the Agreement for a targeted check based on its risk assessment.

For final report check and desk check, the coordinator shall supply copies of supporting documents to the NA (including supporting documents from the other beneficiaries), unless the NA makes a request for originals to be delivered. The NA shall return original supporting documents to the beneficiary upon its analysis thereof. If the beneficiary is legally not authorised to send original documents for final report or desk checks, the beneficiary concerned may send a copy of the supporting documents instead.

The beneficiaries shall note that for any type of check the NA may additionally request supporting documents or evidence that are typically specified for another type of check.

The different checks shall include the following:

**a) Final report check**

The final report check is undertaken at final report stage at the NA premises in order to establish the final grant amount to which the beneficiaries are entitled.

The beneficiary shall submit to the National Agency a final report through Mobility Tool+ which will include the following information on grant expenditure:

- Unit contributions consumed for budget categories:
  - Project management and implementation
  - Transnational project meetings
  - [Strategic Partnerships for Innovation only]Intellectual outputs
  - [Strategic Partnerships for Innovation only]Multiplier events
  - Travel
  - Individual support
  - Linguistic support
- Actual costs incurred for budget category:
  - Special needs support
- Actual contributions incurred and supporting documents specified in Section II of this Annex for budget category:
  - Exceptional costs
- Project results, by uploading them in the Erasmus+ Project Results Platform as provided in Article I.9.2.

**b) Desk check**

The desk check is an in-depth check of supporting documents at the NA premises that may be conducted at or after the final report stage.

Upon request, the beneficiary shall submit to the National Agency the supporting documents for all budget categories.

**c) On-the-spot checks**

On-the-spot checks are performed by the NA at the premises of the beneficiaries or at any other relevant premise for the execution of the Project. During on-the-spot checks, the beneficiary shall make available for review by the National Agency original supporting documentation as specified for final report and desk checks.

There are two types of possible on-the-spot checks:

***On-the-spot check during project implementation***

This check is undertaken during the implementation of the Project in order for the National Agency to verify directly the reality and eligibility of all project activities and participants.

***On-the-spot check after completion of the project***

This check is undertaken after the end of the Project and usually after the final report check.

In addition to providing all supporting documentation, the beneficiary shall enable the National Agency access to the recording of project expenses in the beneficiary accounts.