

ANNEX III – FINANCIAL and CONTRACTUAL RULES**For multibeneficiary grant agreements of KA2 – Cooperation Partnerships****Table of Contents**

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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 must 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 project activities and produces the project 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 must be uploaded by the coordinator in the Erasmus+ Project Results Platform and/or, 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 must 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 must 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.
- (c) Supporting documents:
- Travel: Proof of attendance of the activity in the form of an attendance list or individual attendance certificates 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 must 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 or individual attendance certificates signed by the participants and the receiving organisation specifying the name, date and place of the transnational project meeting, and for each participant: name 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:
- On behalf of the Project as a whole, the coordinator must report on the venue of the meeting, the date and the number of participants.
 - In all cases, the beneficiaries must 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. **Project results**

- (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 project result.

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 "Project results" 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 project result 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 project result produced, which must 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 project result 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 project result.
 - proof of the nature of the relationship between the person and the beneficiary concerned (such as type of employment contract, voluntary work, SME ownership, 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 person concerned, whether he/she is involved in the Project on a professional or voluntary basis. Persons working for a beneficiary on the basis of service contract (e.g. translators, web designer etc.) are not considered as staff of the organisation concerned. Their working time can therefore not be claimed under the "Project results" budget item but may be eligible as exceptional costs under the conditions specified in the related section below.
- (d) Reporting: on behalf of the Project as a whole, the coordinator must report on the activities undertaken and results produced. The coordinator must 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 the project result.

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, the associated partners hosting a multiplier event 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, physically or virtually, and that it is of an acceptable quality level, as determined by the evaluation of the NA.
- (c) Supporting documents:
- Proof of the actual number of participants in the activity through a declaration signed by the organiser and specifying the name of the participant and the name and address of the sending organisation (if applicable).
 - Detailed agenda and any documents used or distributed at the multiplier event.
- (d) Reporting:

- On behalf of the Project as a whole, the coordinator must report on the description of the multiplier event, the project results 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 project results 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 project results but only some of them are ultimately realised, the NA must 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 inclusion support for organisations, travel, individual support and linguistic support. It is calculated as follows:
- Inclusion support for organisations: the grant amount is calculated by multiplying the total number of participants with fewer opportunities in learning, teaching and training activities by the unit contribution applicable, as specified in Annex IV of the Agreement.
 - Travel: the grant amount is calculated by multiplying the number of participants by the unit contribution applicable to the distance band and type of travel as specified in Annex IV of the Agreement; for the establishment of the distance band applicable. In case of green travel modes (train, bus, shared car, boat), the green travel unit contributions apply, otherwise the standard travel unit contributions apply. The beneficiaries must use the on-line distance calculator available on the Commission's website at:
http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm.
 - Individual support: the grant amount is calculated by multiplying the number of days per participant, including accompanying persons, by the full unit contribution or its respective proportion, applicable per day for the type of participant, as specified in Annex IV of the Agreement. If necessary, the beneficiary may add one day of standard travel or up to three days in the case of green travel directly before the first day of the activity, and one day of standard travel or up to three days in the case of green travel directly following the last day of the activity. 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 under this budget category 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 10 km following the online distance band calculator.

(b) Triggering event:

- Inclusion support for organisations: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.
- Travel costs: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.
- 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:

- Inclusion support for organisations: 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 addition, documentation specified by the relevant National Agency as relevant proof that the participant belongs to one of the categories of fewer opportunities listed in the Programme Guide.
- Travel: Proof of attendance of the activity in the form of a declaration specifying the name of the participant, the purpose of the activity, as well as its starting and end date, signed by the participant and by the receiving organisation. In addition, in case of use of sustainable means of transport (green travel), a declaration on honour signed by the person receiving the travel grant and the sending organisation will serve as supporting documentation.
- Individual support: Proof of attendance of the activity in the form of an attendance list or individual attendance certificates signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date.
- 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:

On behalf of the Project as a whole, the coordinator must report on the description, venue, date and number of participants of all learning, teaching and training activities.

Inclusion support for organisations: the coordinator must report on the justification and number of participants eligible under inclusion support.

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 must apply:

- (a) they are incurred by the beneficiaries;
- (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.17;
- (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. **Inclusion support for participants**

- (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 fewer opportunities and their accompanying persons, additional to costs supported by a unit contribution specified in Section I of this Annex (other than Travel and Individual support). Costs related to travel and

subsistence may be requested under this budget category if a grant for the same participants has not been requested through budget categories Travel and Individual support.

- (c) Supporting documents: proof of payment of the related costs based on invoices of the related costs incurred, specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.
- (d) Reporting: for each cost item in this budget category, the beneficiary must report the type of costs and the real amount of costs incurred.

B. Exceptional costs

- (a) Calculation of the grant amount: the grant is a reimbursement of 80% of the eligible costs actually incurred, with a maximum of € 50.000 per project (excluding the costs for providing a financial guarantee if required by the Agreement).
- (b) Eligible costs:
 - 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 in the most economical but also effective way for eligible participants for which the standard funding rule does not cover at least 70% of the eligible costs.
 - 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;
 - 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:
 - proof of the cost of 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.
 - In the case of travel costs: 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 and the travel route.]

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- Subcontracting: 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.
- 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 1.2.2 and the rate of actual use for the purposes of the Project may be taken into account;

(d) Reporting:

for each cost item in this budget category, the beneficiary must report the type of costs and the real amount of costs incurred.

IV. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES

- a) The beneficiaries must 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 must be declared ineligible by the NA and the grant amounts corresponding to the activities concerned must be reimbursed in full. The reimbursement must cover all budget categories for which a grant was awarded in relation to the activity that is declared ineligible.

V. FINAL REPORT

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 60 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. The final report and project results 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 results 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

VI. 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 (including reports from individual participants taking part in the mobility activities) and on the basis of the project results.

In addition, the NA may also consider 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, accreditation interim reports, desk checks or on the spot checks undertaken by the NA.

If the final report scores below 60 points in total, the NA may reduce the final grant amount on the basis of poor, partial or late implementation of the action even if all activities reported were eligible and actually took place. In that case, a grant reduction may correspond to:

- 10% if the final report scores at least 50 points and below 60 points;
- 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.

VII. CHECKS OF GRANT BENEFICIARIES AND PROVISION OF SUPPORTING DOCUMENTS

In accordance with Article II.27 of Annex I of the Agreement, 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 must 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 must supply to the NA copies of supporting documents specified in the section 1.2 (including supporting documents from the other beneficiaries) to the NA, unless the NA makes a request for originals to be delivered. The NA must 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, a physical or electronic copy of the supporting documents may be sent instead.

For any type of check the beneficiaries may be requested by the NA to provide additional supporting documents or evidence that are typically required for another type of check, as specified in article II.27 of the General Conditions.

The different checks must 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's final report must include the following information:

- Unit contributions consumed for budget categories:
 - Project management and implementation
 - Transnational project meetings
 - Project results
 - Multiplier events

In case of learning, teaching and training activities:

- Inclusion support for organisations
 - Travel
 - Individual support
 - Linguistic support
- Actual costs incurred for budget categories:
 - Inclusion support for participants
 - Subcontracting
 - Depreciation costs
 - Exceptional costs
 - Project results, by uploading them in the Erasmus+ Project Results Platform.

b) Desk check

The desk check is an in-depth check of supporting documents as well as evidence of the underlying reality of the project implementation, carried out at the NA premises that may be conducted at or after the final report stage.

Upon request, the coordinator must submit to the National Agency the supporting documents, and evidence supporting the quality of the deliverables.

c) On-the-spot checks

On-the-spot checks are performed by the NA at the premises of the beneficiaries or at any other premise relevant for the execution of the Project. During on-the-spot checks, the beneficiaries must make original supporting documentation available for review by the National Agency and must enable the National Agency access to the recording of project expenses in the beneficiary's accounts.

On-the-spot checks can take the following forms:

- On-the-spot check during project implementation: this check is undertaken during the implementation of the Project in order for the National Agency to directly verify the quality, 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.

ADDITIONAL FINANCIAL AND CONTRACTUAL RULES ONLY APPLICABLE TO PROJECTS ORGANISING VIRTUAL ACTIVITIES DUE TO COVID-19

The following rules are additional to those in Articles I.2 and II.2 in Annex III and only applies to cases where virtual activities need to be organised due to COVID-19. Reporting on virtual mobilities is required in line with the rules provided in the grant agreement.

The beneficiaries are allowed to transfer without amendment up to 60% of the funds allocated for each of the following budget categories: Transnational Project Meetings, Multiplier Events, Learning/teaching/training activities and Exceptional costs to any other budget category under which the virtual activity is taking place, with the exception of the budget categories Project management and implementation and Exceptional costs.

For Exceptional costs, beneficiaries are allowed to transfer up to 10% of the funds from any budget category based on unit contributions to Exceptional costs in order to cover costs related to buying and/or renting of equipment and/or services necessary for the implementation of virtual mobility activities due to COVID-19, even if no funds were initially allocated to the Exceptional costs budget category.

Article I.2. Calculation and supporting documents for unit contributions

Provisions for Project management and implementation and virtual multiplier events remain applicable.

A. Transnational project meetings

No additional unit costs are eligible for virtual activities. The resources available under the "Project management and implementation" budget shall cover the costs related with these meetings.

C. Learning, teaching and training activities

a) Calculation of the grant amount: the grant amount takes the form of unit contribution towards individual support.

- No grant support for travel will be awarded.
- Linguistic support may also be provided in case of virtual activities and the same rules apply.
- Individual support: the grant amount is calculated by multiplying the number of days/months of virtual participation per participant, by 15% of the unit contribution applicable per day/month for the type of participant and for the receiving country concerned, as specified in Annex IV of the Agreement. Travel days before or after the activity cannot be included for the calculation of the individual support.

b) Triggering event:

- Individual support: the event that conditions the entitlement to the grant is that the participant has 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.

c) Supporting documents

- 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 the start and end date of the virtual activity.
- 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 and the duration of the linguistic support.

Article II.2. Calculation of actual cost

A. Inclusion support for participants

The beneficiary is allowed to transfer funds allocated for any budget category to inclusion support, even if initially no funds were allocated for this category.

- 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 fewer opportunities and required to implement virtual activities.
- c) Supporting documents: invoices of the related costs 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 is a reimbursement of 75% of the eligible costs actually incurred for buying and/or renting of equipment and/or services.
- b) Eligible costs: cover costs related to buying and/or renting of equipment and/or services necessary for the implementation of virtual mobility activities.
- c) Supporting documents: proof of payment of the cost incurred 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.