



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:

- the units must be actually used or produced in the period set out in Article I.2.2 of the Special Conditions;
- the units must be necessary for implementing the Project or produced by it;
- 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.
- (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 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, depending on their nature, available for checks and audits at the premises of the beneficiary.

(d) Reporting: on behalf of the Project as a whole, the coordinating organisation must report on undertaken activities and results.

(B) 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 beneficiary 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/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 receiving 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 and one day for 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 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.

In all cases, the beneficiary 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.

(b) Triggering event:

- 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:

- Travel: Proof of attendance of the activity in the form of an attendance list or individual attendance certificates signed by the receiving organisation and specifying the names of the participants, the purpose of the activity, as well as its starting and end date;
- Individual support: Proof of attendance of the activity in the form of an attendance list or individual attendance certificates signed by the receiving organisation and specifying the names of the participants, 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: The beneficiary must report on the venue of all 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 must 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 special needs and accompanying persons, including costs for subsistence of accompanying persons beyond the 60th 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 is a reimbursement of:
 - 75% of the eligible costs actually incurred for subcontracting or purchase of goods and providing a financial guarantee,
 - and 80% of the eligible costs for expensive travel,with a maximum amount of € 50.000 per project, excluding the costs of a financial guarantee if required by the Agreement.
- (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 and 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 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. The exceptional costs for expensive travel replace the standard travel grant.
 - 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: 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.
- Financial guarantee: 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.
- 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 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, the date of the invoice and the travel route.

III. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES

- (a) The beneficiary 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.

- (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 and partner organisations;
 - 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.
- 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 organisation(s)
 - 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 beneficiary.
- 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. GRANT MODIFICATIONS

Not applicable for KA229

VI. CHECKS OF GRANT BENEFICIARY AND PROVISION OF SUPPORTING DOCUMENTS

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

A final report check must be performed for all projects. In addition, the project may be subject to 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 has selected it for a targeted check based on its risk assessment.

For final report check and desk check, the beneficiary must supply to the NA copies of supporting documents specified in the section I.2, 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, the beneficiary concerned may send a copy of the supporting documents instead.

The beneficiary may be requested by the NA to provide for any type of check, 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 beneficiary is entitled.

The beneficiary must 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
 - Travel
 - Individual support
 - Linguistic support
- Actual costs incurred for budget category:
 - Special needs support
- Actual costs 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.

(b) Desk check

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

Upon request, the beneficiary must submit to the National Agency the additional 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 beneficiary or at any other relevant premise for the execution of the Project. During on-the-spot checks, the beneficiary must 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 beneficiaries must enable the National Agency access to the recording of project expense in the beneficiary accounts.