

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. **Travel**

By default, the place of origin is understood as the place where the sending organisation is located and the place of the venue as the place where the receiving organisation is located. If a different place of origin or venue is reported, the beneficiaries concerned must provide the reason for this difference.

In case no travel took place or it was funded from other EU sources than the Erasmus+ Programme (e.g. a mobility participant is already at the place of the venue in relation to another activity than the one funded from the Agreement), the beneficiaries must report that situation accordingly in Mobility Tool+ for each mobility concerned. In this case, no grant support for travel/expensive domestic travel costs will be awarded.

- (a.1) Calculation of the grant amount for travel costs: the grant amount is calculated by multiplying the number of participants per distance band, including accompanying persons, by the unit contribution applicable to the distance band concerned, as specified in Annex IV of the Agreement. The unit contribution per distance band represents the grant amount for a return travel between the place of departure and the place of arrival.

For the establishment of the distance band applicable, the beneficiaries concerned must indicate the distance of a one-way travel using the on-line distance calculator available on the Commission's website at:

http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm.

The beneficiaries will calculate in Mobility Tool+ the grant amounts for travel based on the applicable unit contribution rates.

- (a.2) Calculation of the grant amount for the top-up for expensive domestic travel costs: the grant amount is calculated by multiplying the number of expensive domestic return trips undertaken by the participants, including accompanying persons, by the unit contribution applicable to the “top-up for expensive domestic travel costs”, as specified in Annex IV of the Agreement. The top-up for expensive domestic travel may be requested only for travel itineraries within Programme Countries.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.

The eligibility of the grant for the top-up for expensive domestic travel will be conditional on the National Agency accepting the justification provided. The National Agency must make the assessment of the justification based on the information provided by the coordinator and on publicly available information relating to the same travel route. The eligibility must be established based on typical price for the route and the period in which the travel was undertaken.

- (c) Supporting documents: For travel taking place between the sending organisation and the receiving organisation: 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. 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 must be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.]

- (d) Reporting:

If domestic travel top-up has been requested, the coordinator must provide a description of the actual itinerary and a justification explaining why a more economical route could not have been taken. The itinerary followed may not be justified based on convenience, unless an alternative route would require more than one travel day to reach the final destination or return to the place of origin.

B. Individual support

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons, by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex IV of the Agreement. One travel day before the activity and one travel day following the activity can be included for the calculation of individual support if relevant.
- In case of an interruption during the stay, the period of interruption will not be counted when calculating the individual support grant.
 - In case of termination by the participant of the agreement with the beneficiary due to "force majeure", the participant must be entitled to receive the amount of the grant corresponding at least to the actual duration of the mobility period. Any remaining funds must be refunded, except if agreed differently with the beneficiary.
 - In case of suspension by the participant of the grant agreement with the beneficiary due to "force majeure", the participant must be allowed to continue the activities after the interruption, provided that the mobility end date does not exceed the final date of the mobility project. This should be reported in Mobility Tool+ as a single mobility with an interruption period.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad for the specified period.
- (c) Supporting documents: 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 start and end date;
- (d) Reporting:
- Participants in the mobility activities must report on this activity via an on-line questionnaire providing their feedback in terms of factual information and their appreciation of the activity period abroad, as well as of its preparation and follow-up.

C. Organisational support

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participations in mobility activities by the unit contribution

applicable as specified in Annex IV of the Agreement. The total number of persons considered for organisational support excludes persons accompanying participants during their activity abroad.

- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad.
- (c) Supporting documents: proof of attendance of the activity abroad as specified for "individual support" above.

D. Course fees

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of days per course by the unit contribution applicable as specified in Annex IV of the Agreement. The beneficiaries must report in the Mobility Tool+ for each participant whether or not the training abroad took the form of enrolment in a course for which a course fee had to be paid and must indicate the start and end date of the course concerned. Only the actual days during which the course takes place are considered for the calculation of the grant support for course fees.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has participated in a structured course abroad requiring the payment of a course fee.
- (c) Supporting documents: proof of enrolment in the course and of payment of a course fee in the form of an invoice or other declaration issued and signed by the course provider specifying the name of the participant, the name of the course taken as well as the start and end date of the participant's participation in the course.

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.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 (including costs related to travel and subsistence, if justified and as long as a unit contribution for these participants is not requested through budget categories "travel" and "individual support" 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.
- d) Reporting:
 - The beneficiaries must report in Mobility Tool+ whether additional grant for special needs support was used for any of the participants with special needs and/or accompanying person;
 - In such case, the beneficiaries must report in Mobility Tool+ the type of additional expenses as well as the real amount of related costs incurred.

B. Exceptional costs

- (a) Calculation of the grant amount: the grant is a reimbursement of 75% of the eligible costs actually incurred for the financial guarantee, and of 80% of the eligible costs

for expensive travel costs of participants travelling from/to outermost regions and OCTs.

(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 for participants travelling from/to outermost regions and OCTs for which the standard funding rule does not cover at least 70% of the eligible costs.

(c) Supporting documents:

- 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.
- In the case of the costs for travel for participants travelling from/to 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 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 (including reports from individual participants taking part in the mobility activities).
- 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 assessed 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 for organisational support on the basis of poor, partial or late implementation of the action even if all activities reported were eligible and actually took place.
- The final report will be assessed in conjunction with the reports from the mobility participants, using a common set of quality criteria focusing on:
 - The extent to which the action was implemented in line with the approved grant application
 - The quality of the learning outcomes and impact on participants
 - The impact on the participating organisations
 - 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 extent to which the grant amounts due to mobility participants were transferred to them in accordance with the contractual provisions set out in the agreement between the respective beneficiary and participant following the templates provided in Annex VI of the Agreement.
- A grant reduction based on poor, partial or late implementation may be applied to the final amount of eligible expenses for organisational support 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

(a) Grant modification due to additional funds being available

- In the event of additional funds becoming available to the NA for (re)allocation to beneficiaries, the total maximum grant amount indicated in Article I.3.1 may be increased in accordance with the following conditions:
 - The beneficiary has not been awarded the full grant requested under the main selection round due to the high demand and limited budget rather than for reasons of weak past performance of the beneficiary;
 - On the basis of the information in the ad hoc interim report and data registered in Mobility Tool+, the realisation level of mobilities granted initially is in line with the grant agreement.
- The final grant amount awarded must not exceed the grant amount requested by the applicant in the initial grant application.

(b) Contractual modifications

In accordance with Article II.13 of Annex I of the Agreement, any modification of the grant as set out in Section V. (a) above will take the form of an amendment to the Agreement.

VI. 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 I.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, the beneficiary concerned may send a copy of the supporting documents instead.

The beneficiaries must 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 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 coordinator 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:
 - Travel
 - Individual support
 - Organisational support
 - Course fees
- 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

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 coordinator must 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 beneficiaries must make available for review by the National Agency original supporting documentation as specified for final report and desk checks.

There are three 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.