

**EDUCATION,  
AUDIOVISUAL AND  
CULTURE EXECUTIVE AGENCY**

## **INDUSTRIALISED COUNTRIES INSTRUMENT**

**EDUCATION COOPERATION PROGRAMME (ICI-ECP)**  
for Cooperation in Higher Education and Training between the EU,  
Australia and the Republic of Korea

## **ADMINISTRATIVE AND FINANCIAL HANDBOOK**

FOR "**J**OINT **D**EGREE" projects and

"**J**OINT **M**OBILITY" projects

Ref: Call for Proposals EACEA/38/2011

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## PURPOSE OF THE ADMINISTRATIVE AND FINANCIAL HANDBOOK

The rules outlined in this Handbook apply to grants for ICI – ECP Cooperation in higher education and vocational educational and training: Joint Degree and Joint Mobility projects. The Handbook forms Annex IV to the Grant Agreement (“the Grant Agreement”); consequently, the rules contained in it are contractually enforceable.

The Handbook is also intended to serve both as an **aid for beneficiaries and as a management tool**. It is intended to:

- help beneficiaries to run the actions of the ICI – ECP Joint Degree and Joint Mobility projects efficiently;
- clarify various matters arising from the Grant Agreement and its Annexes;
- provide practical information to which beneficiaries may refer at the various stages of the actions of the ICI-ECP Joint Degree and Joint Mobility projects;
- provide beneficiaries with guidelines for technical and financial reporting required in the Grant Agreement.

Sound financial management is essential to ensure that the best results are produced at a reasonable cost.

## I. DEFINITIONS

**Applicant:** Any "EU" higher education institution (HEI) or post secondary vocational and training institution as defined in section 5.1 of the Guidelines submitting a proposal in accordance with the set procedures established in this Call. The Applicant will become the Beneficiary when the proposal is accepted by the Education, Audiovisual and Culture Executive Agency ("the Agency") and when a Grant Agreement is signed between the Agency and the Applicant / Beneficiary.

**Beneficiary / EU Lead Institution:** Within the context of the Grant Agreement, the Applicant of the ICI-ECP Joint Mobility project is called the Beneficiary and is the EU Lead institution. It has the primary legal responsibility towards the Agency for the proper execution of the Grant Agreement. As Beneficiary, it is also responsible for the day-to-day monitoring and management of the project and for distributing the European Union funds within the Consortium.

**Consortium:** Is the group of European and Partner Country higher education institutions and/or training institutions implementing the actions of the ICI –ECP programme.

A consortium applying for an ICI-ECP Joint Mobility project must include at least **3 post secondary VET institutions** from **3** different EU Member States and at least **2 institutions from the Partner Country**. A consortium applying for an ICI-ECP Joint Degree project must include at least **2 Higher Education institutions** from **2** different EU Member States and at least **2 institutions from the Partner Country**.

**Leader / Co-ordinator (CO):** the person responsible in the EU Lead Institution for the necessary co-ordination and day-to-day management tasks at the implementation stage.

**Financial Regulation:** Council Regulation (EC, Euratom) No 1605 / 2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Union (OJ L 248, 16.9.2002, p.1).

New MOD Commission Regulation (EC, Euratom) No 1248/2006 of 7 August 2006 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Union (OJ L 207, 19.8.2006, p.3).

**Grant Agreement (GA):** The Agency concludes a Grant Agreement with the Beneficiary of each Consortium selected under the ICI-ECP Joint Degree and Joint Mobility projects. The duration of the Grant Agreement corresponds to a maximum of 36 months for Joint Mobility projects and 48 months for Joint Degree projects.

**Higher education institution:** any recognised establishment according to the applicable laws or practices that offers qualifications or diplomas at the higher education level, whatever such establishment may be called.

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

**Legal Representative (LR):** the person authorised to enter into legal and financial commitments on behalf of the EU Lead Institution.

**Partners:** Any "EU" or "Partner Country " higher education institution, or training institution which has signed a letter by which it undertakes, according to the agreed arrangement with the Beneficiary / Lead Institution, to contribute to the implementation of the project work and the student mobility and its organisational framework (i.e. Student mobility, Placements and internships, Student selection, Fees, Languages, Recognition, and Services).

**Partner Country:** Australia and the Republic of Korea.

**Students:** All those persons following learning or training courses or programmes which are run by higher education or training institutions as defined above, and which are recognised or financially supported by the competent authorities.

**Training institution:** means any type of public, semi-public or private body, which, irrespective of the designation given to it, in accordance with the applicable laws and practices, designs or undertakes vocational education or training, further vocational training, refresher vocational training or retraining. In the case of Australia, such an institution must be both physically located in Australia and be a Registered Training Organisation (RTO).

## II. OPERATIONAL MANAGEMENT OF THE PROJECT

### II.1. MODIFICATION OF THE GRANT AGREEMENT

If the smooth running of the project so requires, the Beneficiary has the possibility to introduce certain modifications on behalf of the Consortium. Some of these will require a formal amendment of the Grant Agreement, others the formal approval by the Agency after an exchange of written information and certain minor modifications only need notification to the Agency. The formalities of the procedures for modification are described below. Usually the request for an amendment should be submitted the latest 60 days before the end of the eligibility period of the project.

Where modifications need a formal amendment of the Grant Agreement, the Beneficiary must send the Agency a written request for such amendments, dated and signed by its legal representative or the coordinator. In order to be considered by the Agency, amendment requests must be submitted at least two months before the end of the period of eligibility detailed in the Grant Agreement. Please note that any request for an amendment must be supported by a detailed justification and full details of the changes sought. Failure to provide such supporting documentation may considerably delay the review process and could lead to a refusal of the request.

The Agency will examine, in each case, whether or not to approve the requested amendment and will inform the Beneficiary of its decision. Approval of requests for an amendment is not automatic and Beneficiaries should try to limit, as far as possible, the number of amendments requested during the duration of the Grant Agreement. The amendment may not have as its purpose or effect to modify fundamentally the content of the Grant Agreement.

The amendment will enter into force only once both the legal representative of the Beneficiary, acting on behalf of each of the members of the Consortium, and the legal representative of the Agency have signed the amended agreement.

The purpose of the list of examples below is to inform the Beneficiary which modifications to the Grant Agreement need to be supported by an official amendment, which modifications require formal approval by the Agency without amending the Agreement and which modifications need to be notified to the Agency without the latter's approval being necessary.

#### A. MODIFICATIONS REQUIRING AN OFFICIAL AMENDMENT (OA)

##### A.1 Change in the composition of the Consortium

The Consortium is a decisive factor for the quality of the proposed action. Any change in the Consortium is therefore a substantial change to the action.

A change in the Consortium may involve one of the Partners or the Beneficiary. The latter case is dealt with separately (see point A.2 below) since it also implies a change in the main legal responsibility under the Agreement.

As a general rule, a change in Consortium may result in the departure of an existing Partner and/or the arrival of a new one.

These events will necessarily have an impact on the content and, maybe, the quality of the action, since the departure of one of the Partners changes the structure of the action and will affect its content. A change in Consortium will also impact on mobility arrangements. It can also have consequences in financial terms, in particular as regards the distribution of the grant among partners as well as payment modalities.

As a result, **a change in the Consortium will usually not be granted in the course of an academic year** as this would seriously upset the smooth functioning of the action during that year. Nor will it be granted when individual mobility flows are still ongoing with the partner(s) concerned by the amendment request (acting either as home or host institution). If a change in Consortium is envisaged for a forthcoming academic year, a new and full description of the action and the role of each Partner institution must be submitted. This description will be assessed against the eligibility, selection and quality criteria used at application stage, if necessary with the help of external academic experts. Should the new Consortium be judged ineligible or insufficient in quality, the Grant Agreement will be terminated.

It should be stressed that should a Partner leave the Consortium during the period of eligibility, the use of the flat rate and the payment of unit costs by that Partner remains an eligible expenditure of the Consortium, provided this expenditure took place before the Partner's departure and that the Beneficiary is able to supply the relevant supporting documents regarding the expenditure.

### **A.2 Change of the beneficiary / EU lead institution**

A change of the Beneficiary / EU Lead Institution (i.e. replacement by another EU institution partner within the Consortium) requires an official amendment. Such changes involve a change in the main legal responsibility under the Agreement and are always subject to a formal amendment procedure. It should be noted that the new Beneficiary will be responsible for all obligations under the Agreement for its entire duration (i.e. from the start of the Grant Agreement until its end). A change of Beneficiary should always be endorsed by all Partners of the Consortium. In an official document signed by both legal representatives, the former Beneficiary will have to renounce to all its rights and obligations in the context of the Grant Agreement concerned while the new one will have to agree to take over the full responsibility of the Grant Agreement from the start until its end.

If the change of the Beneficiary has an impact on the content or the quality of the proposed action, a new and full description of the actions and the role of each Partner institution must be submitted. This description will be assessed against the eligibility, selection and quality criteria used at application stage, if necessary with the help of external academic experts. Should the new Consortium be judged ineligible or insufficient in quality, the Grant Agreement will be terminated.

### **A.3 Change in the period of eligibility**

Amendments concerning a change in the period of eligibility should be rare but requests to extend the period of eligibility are receivable in duly justified cases. A change to the end of the period of eligibility automatically results in a change in the deadline for submission of the Final Report: the deadline will be postponed by the same period by which the period of eligibility has been extended.

### **A.4 Significant changes in the work programme**

Proposed changes to Project Activities / changes to the Work Programme / changes in the student/faculty mobility must be fully justified and must not undermine the project's original nature and aims. Where such changes are to be requested, the Beneficiary must complete, sign and submit to the Executive Agency a written request containing all information on the proposed changes to project activities / changes to the Work Programme.

### **A.5 Substantial changes in the budget**

Changes between headings in the budget of more than 10% are subject to an official amendment.

## **B. MODIFICATIONS REQUIRING A FORMAL APPROVAL (FA) BY THE AGENCY**

### **B.1 Change of legal representative within the beneficiary organisation**

A change of Legal Representative within the existing Beneficiary organisation can be handled with an exchange of letters between the Beneficiary and the Agency.

The letter notifying the change to the Agency should be accompanied by an official document confirming the capacity of the new Legal representative to enter into legal / financial commitments on behalf of the Beneficiary organisation.

### **B.2 Change of the co-ordinator of the beneficiary organisation**

A change of Co-ordinator within the existing Beneficiary can be handled with an exchange of letters between the Beneficiary and the Agency. However since the Co-ordinator plays a vital role in the management and monitoring of the Consortium such change must be endorsed by all the partners and this endorsement should accompany the letter notifying the change to the Agency. Failure to submit the proof of such endorsement may lead to a request for further information from the Agency towards the Beneficiary and its partners.

### **B.3 Change of banking information**

Change of banking information must be notified to and formally approved by the Agency.

### **B.4 Changes in the deadlines for submission of reports**

An extension of a maximum of one month (30 days) of the deadline for submitting the Final Report may be requested. This needs the approval by the Agency and will be awarded if the request is duly justified. The deadlines for submitting the Progress Report, in turn, cannot be changed.

### **B.5 Other changes in the budget**

Any modification to the budget has to be notified to the Agency for monitoring purposes. Changes, like swapping amounts from one budget category to another or a decrease of the budget, the modification needs a formal approval from the Agency.

Changes between headings in the budget of more than 10% are subject to an official amendment (see point A.5.).

### **B.6 Minor changes in the work programme**

There may be need for minor changes to project Activities (i.e. small changes in the student or faculty mobility flows, changes to support partners, changes to the experts planned to be involved in the project and named within the original proposal) for which it is sufficient to initially submit a formal letter (signed by the legal representative), advising of such changes, to the Executive Agency. The Agency will reply in writing for approval or rejection.

Consortium should be very careful to check that such changes do not go against the implementation rules defined in the Call for proposals or are not in conflict with the basic requirements of the overall objectives and priorities and that they do not upset the functioning of the project. Should such be the case, the Agency can reject the changes in writing within 15 calendar days after receipt of the notification.

## C. MODIFICATIONS REQUIRING NOTIFICATION (NT) TO THE AGENCY

### C.1 Minor changes referring to planned activities

Minor changes to the work plan that do not have implications on the aims and objectives of the proposal or on budget (such as details in mobility arrangements, facilities offered to participants or similar aspects) must be reported to the Agency in the Progress Report.

## D. SUMMARY TABLE OF MODIFICATION OF AN AGREEMENT

**The requests have to be submitted at least one month before the end of the period of eligibility and they are valid only after they have been accepted!**

	<b>A</b>	<b>B</b>	<b>C</b>
	Official Amendment (OA) ( Written request done by LR or CO )	Formal Approval (FA) ( Written request done by LR or CO )	Notification (NT) ( Written or Email request done by LR or CO )
Type of changes inducing a specific type of amendment	<ol style="list-style-type: none"> <li>1. Composition of the Consortium</li> <li>2. Beneficiary/Lead Institution</li> <li>3. Period of eligibility</li> <li>4. Significant changes in the work programme</li> <li>5. Substantial changes in the budget</li> </ol>	<ol style="list-style-type: none"> <li>1. Legal Representative</li> <li>2. Co-ordinator</li> <li>3. Banking information</li> <li>4. Deadlines for reports' submission</li> <li>5. Other changes in the budget</li> <li>6. Minor changes in the work programme</li> </ol>	All other modifications not included under OA or FA types of amendments
Special conditions	Requests submitted at the latest 30 calendar days before the end of the period of eligibility detailed in the Agreement. An official amendment to the Agreement signed by the two parties is required to be valid.	Needs acceptance by the Agency. Without any reaction by the Agency within <b>15 calendar days</b> after the sending of the acknowledgement of receipt, the modifications are deemed to be approved.	The Agency could reject the changes in writing within <b>15 calendar days</b> after receipt of the notification (if such changes are considered to go against the rules defined in the Call and the Handbook, or if they are in conflict with the objectives and priorities defined for the proposed action).

## II.2. FINANCIAL INFORMATION AND FINANCIAL MANAGEMENT OF THE GRANT

### A. GENERAL RULES ON FINANCIAL ISSUES

#### A.1 General Principles

The beneficiary (co-ordinator) must ensure that:

- expenditure is directly connected with and necessary for the implementation of the activities, according to the project work plan and provided for in the approved estimated budget and has been generated during the lifetime of the project as defined in the Grant Agreement
- all costs presented in the proposed Budget are necessary for the performance of the project
- no member organisation of the partnership may derive a profit from financial assistance awarded by the European Union
- each item of expenditure is only included under one heading of the proposed Budget.

#### A.2 Eligible costs

Except for flat rate amounts, only costs in respect of mobility grants for students and faculty members are eligible under this grant. No other cost item will be considered as qualifying as eligible expenditure.

#### A.3 Bank account

The account specified in the specific Agreement and to which the grant will be paid should be:

- in the name of the Beneficiary institution (personal accounts are not acceptable under any circumstances);
- denominated in €, if at all possible;
- specific to the project, where possible;
- in one of the 27 Member States of the EU.

Cash withdrawals from the account must be substantiated by receipts.

Interests gained on pre-financing payments must be declared at Final Report stage and will be recovered by the Agency.

#### A.4 Accounting system / Internal control

The Beneficiary must set up an adequate accounting system, which must make it possible to identify the payment of scholarships to students and faculty members.

All transactions relating to the scholarship scheme must be recorded using a numbering system in which the scholarship scheme is given a specific identifiable number.

As far as possible, the persons responsible for managing the daily activities of the scholarship scheme should not be the same as those responsible for its financial management.

The original invoices or accounting documents of an equivalent value must be kept for a period of five years from the closure date of the Grant Agreement in case of an ex-post audit (see Chapter IV of this handbook).

#### A.5 Management of the Consortium

Any partner organisation whose name does not appear in the original application submitted by the Beneficiary or whose participation in the consortium has not been approved in advance in writing by the Agency, will not be recognised as such in the framework of the Grant Agreement, and as a result, all costs relating to such a partner will be considered ineligible.

The Beneficiary is solely responsible for the relations between partners, in particular including the dividing up of the grant between the Beneficiary and its partners.

## **B. PRINCIPLES APPLIED TO THE DIFFERENT CATEGORIES OF FUNDING**

### **B.1 Flat rate amounts**

- The flat-rate amount covers essentially the costs linked with the organisation of the mobility, including insurance costs for the students' and faculty members' mobility, as well as the costs generated by the participation at the annual project coordinators' conference (unless covered by faculty members' mobility scheme).
- This flat rate covers the entire contractual duration of the project. In case the duration of the contract is extended beyond what is initially agreed, no additional flat rate for administrative support will be provided.

### **B.2 Mobility grants**

The consortium pays the grant amount to the grantees in accordance with the Grant Agreement signed between the Agency and the Consortium, taking into consideration the values described in the Guidelines and respecting the following principles:

#### **B.2.a. Mobility grants to EU students**

- Student mobility grants should have a minimum stay abroad of one semester (min. 4 months) in the case of Joint Mobility projects and of a full academic year (10 months) for Joint Degree projects.
- In case of projects in the field of training, a minimum period of study abroad of three months applies; this minimum period of 3 months may include also the time spent on work placements and/or internships.
- The mobility grants concern mobility of EU students from their home EU institution to host institution in the Partner Country.
- The grant is a block allocation intended to offset additional costs incurred by students travelling abroad over the costs of remaining at the home institution.
- Grants are intended for full-time studies.
- Mobility costs of European students within the EU will not be granted by the ICI-ECP funds.
- Tuition or other kinds of fees are not eligible for funding.

#### **B.2.b. Mobility grants to EU faculty members**

- Faculty mobility grants are calculated according to the rules set on relation to scholarly work and teaching, or project management work at the institutions in the Partner Country with a minimum of one week and a maximum of four consecutive weeks.
- Any number of faculty members may participate in mobility provided that the grant allocation and the minimum and maximum duration requirements are respected.
- The grant is a block allocation intended to offset additional costs incurred by faculty members travelling abroad over the costs of remaining at the home institution.

### **B.3 Management of the mobility grants in case of student's dropout**

If a student grantee decides to withdraw his/her application before or during his/her study the Consortium has the possibility to reallocate the remaining monthly and fixed amounts to another of the same category.

In this context, and prior to the students receiving any payment, the Consortia should ask them to sign a declaration whereby they bind themselves, in the eventual case of termination of the course (e.g. student did not reach the minimum required points to continue, lack of active participation, due to personal reasons/choices etc), to reimburse the portion of the amount they should have received and which exceed their actual insofar incurred expenditure (i.e. based on the number of months they attended/completed, and/or a copy of their "return ticket").

### **C. PAYMENT OF THE GRANT**

The Agency pays the grant to the EU-lead institution in installments, in accordance with the payment arrangements and schedules laid down in Articles 1.3 and I.4 of the Grant Agreement. A first pre-financing payment shall be made to the Beneficiary within 45 days of the date when the last of the two parties signs the Agreement.

Payment of any further installment will be subject to receipt and approval by the Agency of the documents indicated in the Grant Agreement (Progress Report), and may not be made until at least 70% of the previous pre-financing payment(s) has(/ve) been used up.

The Agency shall have 90 days to approve or reject the Progress Report and to pay a further pre-financing payment, or to request additional supporting documents or information. In that case the beneficiary shall have 30 days to submit the additional information or new documents requested.

At the end, a Final Report has to be submitted. For more details on these reporting requirements, please see Chapter III.

## **III. REPORTS**

### **III.1. INTRODUCTION**

Reporting is a crucial phase of the action since it allows a review and an assessment of:

- the maintained quality of the project;
- the participation of the selected students and faculty members;
- the correct handling of the funds disbursed by the Beneficiary to the students and faculty members.

Monitoring of the implementation of the project is ensured by follow-up visits organised by the Agency and by reports.

The Consortium has to submit Progress Report(s) and a Final Report to the Agency, according to the terms and schedules defined by article 1.5 of the Grant Agreement. The Progress Report form and Final Report form are Annex III to the Grant Agreement. Each report form consists of a technical (or narrative) and a financial part.

### **III.2. FORMAL REQUIREMENTS FOR REPORTS**

The Reports must be presented using the forms that are Annexes of the Grant Agreement. If a Report is not presented in its correct form or is presented in an incomplete way, the Agency may not analyze it until its formal presentation is correct. If the Agency is not able to obtain the Report in the correct format, the grant may be revoked, the project cancelled and the Beneficiary required to reimburse to the Agency the grant already paid.

### **III.3. PROGRESS REPORT(S)**

#### **A. GENERAL REMARKS**

The purpose of the Progress Report(s) is to take stock of the present state of play of the project and to pinpoint any specific problems that the Consortium has encountered so that action can be taken to remediate the situation as quickly as possible.

Usually, the reporting period of the Progress Report covers the period between the start date of the period of eligibility and the date of submission of the Report in question, in the case of the first Progress Report; or the period between the date of submission of the previous Progress Report and the date of submission of the Report in question, for any subsequent reports.

#### **B. TECHNICAL PART: DESCRIPTION OF THE STATE OF PLAY OF THE PROJECT**

This part of the Progress Report is intended to show and prove that the project is being delivered, that the students and faculty members are participating in it and that high standards of quality are maintained. In case of patent non-compliance with such high quality standards the Agency may cancel the project and ask for the reimbursement of the grant.

This part of the Progress Report also serves the purpose of improving certain aspects of the project and hence a number of elements (project goals, curricular development, evaluation, memoranda of understanding, student and faculty mobility arrangements and a plan for upcoming activities) need also be reported on in the Progress Report in detail. Beneficiaries are reminded that they must not introduce changes to the action which are in conflict with the basic requirements or with the quality criteria outlined in Call for proposals documentation. Neither must they compromise the smooth functioning of the project.

### **C. FINANCIAL PART: DECLARATION OF EXPENDITURE**

This part of the Progress Report consists of a general financial statement.

If the descriptive part of the Progress Report demonstrates that the project is running as foreseen, the analysis of the financial statement will consist of checking that 70% of the previous pre-financing instalment(s) has been used up. The Progress Report can be submitted before the set deadline, if this percentage has been reached earlier.

It must be remembered that in the Final Report the Beneficiary will have to give details on the payment financed by the grant for the whole Grant Agreement in question. The approval of the Progress Report and payment of the further pre-financing installment(s) of the grant, in accordance with the terms of the Agreement, should under no circumstances be considered as indication that the Agency has accepted the expenditure declared in the Progress Report. Detailed examination of the budget to identify the amount of the final grant will be carried out only at Final Report stage.

### **D. SUBSEQUENT PRE-FINANCING PAYMENT(S)**

Once the Progress Report has been specifically approved by the Agency, the next pre-financing payment can be paid to the Beneficiary, following the provisions of Article I.4 of the Grant Agreement. The subsequent installment can only be paid if 70% of the previous installment(s) has been used up.

If 70% of the previous pre-financing payment(s) had not been used up by the reporting deadline, the Beneficiary shall submit its Progress Report nevertheless. The Beneficiary can request the payment of the further installment at a later stage by submitting a separate payment request as soon as the utilization of the previous pre-financing payment(s) has reached 70%. This separate payment request must contain a revised version of the general financial statement submitted with the Progress Report so that the Agency can check the level of consumption of the previous installment(s). Upon approval of this financial statement, the next pre-financing payment can be paid to the Beneficiary.

## **III.4. FINAL REPORTS**

### **A. GENERAL REMARKS**

The main purpose of the Final Report is to evaluate the actual implementation of the project and to close the respective Grant Agreement financially. Therefore, all expenditure related to the project must have been paid up before the Final Report is submitted.

The reporting period of the Final Report covers the whole period of eligibility of the Grant Agreement.

Approval of the Final Report by the Agency does not imply that the Agency recognized the regularity or correctness of the Report's content. A Consortium can always be subject to an audit.

### **B. TECHNICAL PART: DESCRIPTION OF THE REPORTED ACTION**

This part of the Final Report is intended to provide a detailed picture of how the project was implemented, possible problems encountered and the final results of the project work. When answering the questions relating to the technical part of the Final Report, the Beneficiary should go back to and duly up-date what has been said in the Progress Report(s).

### **C. FINANCIAL PART: DECLARATION OF EXPENDITURE**

This part of the Final Report consists of a detailed declaration of the expenditure related to the effective implementation of the project during the whole duration of the Grant Agreement. This declaration is based on reported use of the flat rate and unit costs per student or faculty member as described in Annex II to the Grant Agreement and the Final Report form. Interests gained on pre-financing payments must also be declared in the Final Report.

Copies of supporting documents (payment slips, receipts, bank statements, etc.) need not be supplied with the Final Report. However, in carrying out a review and analysis of the figures declared in the declaration of expenditure, the Agency may ask the Beneficiary for further details and copies of the supporting documents. Such a request may also occur as a result of a sampling exercise carried out every year on a number of Final Reports. The Beneficiary must supply the information requested within 30 days. Failure to do so may result in a reduction or even the cancellation of the grant. The supporting documents may include all types of documents that can prove that the grant has been effectively spent to cover the costs that were borne for the implementation of the action.

### **D. POSSIBLE REIMBURSEMENT OF PART OF THE GRANT**

The Agency will analyze the declaration of expenditure in order to arrive at the final European Union grant. This analysis may lead to a request for reimbursement of a certain amount (e.g. interests gained on pre-financing), as the totality of the grant has been paid to the Beneficiary in advance. If the Beneficiary has to reimburse a certain amount, this amount will be recovered by the Agency. The financial analysis of the Final Report will be explained to the Beneficiary in a settlement letter.

### **E. APPEALS**

If the Beneficiary does not agree with the final grant awarded or the reimbursement claimed by the Agency, then it may submit an appeal to the Agency. In order to be valid, the appeal must be in writing, signed and dated by the legal representative of the EU Lead Institution, and sent to the Agency within 60 days of the date of the settlement letter. The Beneficiary should set out fully the grounds upon which it disputes the decision of the Agency, together with copies of any relevant supporting documents or justifications upon which it relies. The grounds of the appeal must be based on new elements or facts which were not taken into consideration when the Final Report was originally analysed. It should be noted that the Agency may reject an appeal which is not submitted within the 60 day period or which does not contain the necessary justifications or documentation.

## **III.5. ADDITIONAL PROGRESS REPORTS**

In addition to the Reports detailed in this chapter, the Agency may, at any time, request the Beneficiary to produce an additional report on the progress of the project to date, covering both its technical and financial aspects. The purpose of such an additional report is to verify that high standards of quality are maintained for the project and that it is being managed and implemented in accordance with the rules set out in the Grant Agreement and its Annexes.

## **III.6. LIST OF INDIVIDUAL MOBILITY GRANTS**

As regards the amount used for mobility the Beneficiary shall submit, with each Progress Report, the list of the students, teaching faculty members and administrative staff actually sent out, as well as those scheduled to be mobile in the following period.

The list shall be filled in the respective Table provided in the Progress/Final Report form.

## IV. SUPPORTING DOCUMENTS & AUDITS

### IV.1. PURPOSE

As set out in Article II.18 of the Grant Agreement, an operational and / or financial audit can be carried out on-the-spot by the Agency/Commission or by any other outside body authorised by the Agency at any time. The European Anti-Fraud Office (OLAF) and the Court of Auditors may also carry out on-the-spot checks and inspections. Such audits may be carried out throughout the lifetime of a Grant Agreement and for a period of 5 years from the date of the final payment or the financial closure of the Grant Agreement. In such cases, the Beneficiary and/or the concerned Partner will be notified that an inspection visit will be made.

On receipt of this notification, the Beneficiary and/or the concerned Partner are advised to ensure that all the original documentation likely to be examined by the auditors is available and, if necessary, contact the partner institutions of the Consortium in order to collect any documents that may be missing. When the audit is requested to the Beneficiary, the audit may cover the management of the action not only by the Beneficiary, but also by the partner institutions.

The purpose of these audits is twofold:

- firstly, to check that the Consortium's financial Reports presented for payment are consistent with the Beneficiary's and/or concerned Partner's basic accounts and to ensure that European Union funds are being / have been spent in accordance with the Grant Agreement and its Annexes and that the mobility scheme is being / has been implemented;
- secondly, audits provide a good opportunity for contact and dialogue between the auditors and the Beneficiary and/or the concerned Partner. If any management problems are found, the auditors will work with the Beneficiary and/or the concerned Partner to seek a solution and, if necessary, improve existing internal procedures in order to make the best possible use of European Union funds. The auditors will be open to any comments and / or suggestions that the Beneficiary and/or the Partners may wish to make.

The main assessment criterion is transparency. It is essential for the auditors to have access to full, accurate and properly documented information.

### IV.2. DOCUMENTS REQUIRED

In principle, supporting documents must satisfy the following conditions:

- documents from the Beneficiary and/or the Partners must be **original and dated**;
- documents from the Partners held by the Beneficiary must be certified copies of the original. However, the Agency reserves the right to have originals made available to it at any time.

The supporting documents required must prove that the grant has been effectively spent to cover the implementation of the action and can take the form of payment slips, receipts, bank statements, etc (e.g. bank transfers to the partners, students / faculty members, for the organisation of mobility, documents proving that such activities have been carried out, mobility reports, study credits...).

As a general rule, the Beneficiary/the concerned Partner must provide the auditors with all bank documents. The accounting records, analytical accounts and annual statements must also be available.

If the Beneficiary/the concerned Partner cannot provide adequate supporting documents or if the supporting documents available do not satisfy the requirements set out in this chapter, the Agency reserves the right to deduct the costs in question from the European Union grant.

### IV.3. FINDINGS AND OUTCOME

Audit Reports are internal documents and are confidential. However, the Beneficiary/ the Partner concerned, when the audit has been specifically requested to it, will be informed in writing of the audit findings within a period of four months from the date of when the audit was carried out. The audit will lead to one of the following results:

- The audit is entirely satisfactory: the auditors have found no significant shortcomings in the financial management or other aspects of the management of the mobility scheme;
- Expenses not covered by supporting documents have been found: these will entail a demand for reimbursement to the Agency.