

EDUCATION, AUDIOVISUAL AND CULTURE EXECUTIVE AGENCY

## ERASMUS MUNDUS PROGRAMME

### ADMINISTRATIVE AND FINANCIAL HANDBOOK

### ACTION 1: ERASMUS MUNDUS JOINT DOCTORATE PROGRAMME

Version May 2012

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## **PURPOSE OF THE ADMINISTRATIVE AND FINANCIAL HANDBOOK**

The purpose of this handbook is twofold; on the one hand it shall serve as a useful tool providing guidelines for the successful implementation of the Erasmus Mundus Joint Doctorate Programme (EMJD); on the other hand it outlines the rules applicable to EMJD grants under the Erasmus Mundus Joint Programme. The Handbook forms annex V to the specific grant agreement; consequently, the rules contained in it are contractually enforceable.

Furthermore the Handbook is intended to serve both as an aid for Beneficiaries and as a management tool. It is intended to:

- help Beneficiaries to run the Joint Doctorate Programme and the fellowship scheme efficiently;
- clarify various matters arising from the framework partnership agreement and the specific grant agreement and its annexes;
- provide practical information to which Beneficiaries may refer at the various stages of the Joint Doctorate Programme and the fellowship scheme;
- provide guidance for Beneficiaries on handling the financial side of Joint Doctorate Programme and the fellowship scheme in such a way that financial statements can be readily drawn up;
- ensure the smoothest possible relations between the parties involved by setting out an operational framework for the Joint Doctorate Programme and the fellowship scheme.

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

## I. DEFINITIONS

**Associated Partners:** Any other organisation involved in the EMJD implementation or monitoring can be considered as an “associated partner” of the consortium. This applies more specifically to socio-economic partners (i.e. commercial enterprises, in particular SMEs, public authorities or organisations, non-profit or charitable organisations, international/European interest organisations, etc.) that can propose, support and accompany - over a mid- and long-term perspective - specific research projects, contribute to the transfer of knowledge and results as well as the innovation process, assist in the promotion, implementation, evaluation and sustainable development of the EMJD.

**Beneficiary:** the beneficiary (also referred to as “main beneficiary” or “coordinating organisation”<sup>1</sup>) is the organisation that, on behalf of the consortium / partnership / network of participating organisations, has signed an agreement with the Agency; the Beneficiary has the primary legal responsibility towards the Agency for the proper execution of the agreement; it is also responsible for the day-to-day coordination and management of the project and for the usage of the EU funds allocated to the project.

**Co-ordinator:** the person responsible for the necessary co-ordination and day-to-day management tasks at the implementation stage. The co-ordinator is also the focal point for the Agency on any matters related to the project implementation.

**Doctoral Candidate Agreement:** an agreement, obligatory to all EMJDs’, signed between the Consortium and each doctoral candidate enrolled in the joint doctorate programme explicitly indicating any academic, research, financial and administrative modalities related to the doctoral candidates participation in the joint course and, if applicable, the award and usage of the fellowship.

**Erasmus Mundus Joint Doctorate Consortium (EMJD):** is the group of higher education institutions which offers an Erasmus Mundus Joint Doctorate Programme. The consortium consists of a minimum of three institutions one of which plays the role of co-ordinator.

**EMJD Agreement:** an agreement obligatory to all EMJD’s and signed by a legally authorised body of each of the consortium partners (and, if applicable, associated partners) clearly laying down the joint doctorates’ academic, research, administrative and financial rules and procedures in adherence with the rules and requirements as set out in the Erasmus Mundus Programme.

**Erasmus Mundus Programme Guide:** applies to the entire duration of the Programme and gives guidelines for the implementation of joint cooperation activities or receiving individual fellowships within the Erasmus Mundus Programme (2009-2013). It provides explanations to help understand the objectives and the different programme actions, the types of activities that can (or cannot) be supported as well as the conditions under which this support can be granted and the grant awarded used. The guide and all its revisions (apart from exceptional and duly justified cases and accepted by the Agency) is a contractually binding document.

**Financial Regulation:** Council Regulation (EC, Euratom) N° 1995/2006 of 13 December 2006 amending Regulation N° 1605/2002 on the Financial regulation applicable to the general budget of the European Communities (OJ L 390/2006 of 30 December 2006); Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 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.

**Framework Partnership Agreement:** The Agency concludes a five-year framework partnership agreement with the beneficiary of each Erasmus Mundus Joint Doctorate Consortium selected under the Joint Programme. It establishes an ongoing, formalised relationship of co-operation between the Agency and the beneficiary on the basis of common objectives in order to contribute to the aims of the Erasmus Mundus programme. The framework partnership agreement is not a grant agreement, but identifies the beneficiary of the Erasmus Mundus Joint Doctorate Consortium as a privileged partner of the Agency. The Applicant of the Erasmus Mundus Joint Doctorate Consortium has the primary legal responsibility towards the Agency for the proper execution of the framework partnership agreement.

**Irregularity:** means an infringement of a provision of EU 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:** the person authorised to enter into legal and financial commitments on behalf of the

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<sup>1</sup> Please note that in exceptional cases the role of the coordinating organisation can be taken by another consortium full partner

Applicant / Beneficiary organisation.

**Doctoral Candidate:** An early-stage researcher at the beginning his/her research career, starting at the date of obtaining the degree which would formally entitle him/her to embark on a doctoral programme. The EMII programme awards fellowships to 2 categories;

- **Category A:** These fellowships are awarded to doctoral candidates who come from a country other than an eligible applicant country and who are not residents nor have carried out their main activity (studies, work, etc.) for more than a total of 12 months over the last five years in one of these countries. The only exception to this rule applies to doctoral candidates who have previously received an Erasmus Mundus masters fellowship in order to follow an EMMC
- **Category B:** These fellowships are awarded to doctoral candidates who do not fulfil the Category A criteria defined above.

**Partner within the consortium:** any higher education institution corresponding to Article 2 of the Erasmus Mundus programme decision, which participates in a Joint Doctorate Programme and which has signed a letter by which it undertakes, according to the agreed arrangements with the applicant/Beneficiary, to contribute to the implementation of the Joint Doctorate Programme.

**Specific Grant Agreement:** On the basis of the framework partnership agreement, the Agency concludes annually specific grant agreements with the Beneficiary of each Erasmus Mundus Joint Doctorate Consortium selected under Action 1 of the Joint Programme. The duration of the specific grant agreement corresponds to the length of the Joint Doctorate Programme.

## **II. MODIFICATION OF THE AGREEMENT**

The smooth and efficient running of the Joint Doctorate Programme and its fellowship scheme will require adaptations and improvements as compared to the elements presented in the original proposal.

Most of these adaptations/improvements will be implemented by the consortium on an ongoing basis and in close cooperation with the Agency. They will be communicated, clarified, confirmed by the two parties during email exchanges, telephone conversations, meetings and/or the regular reporting milestones on the implementation of the EMJD activities and the payment of the fellowships.

However, some changes and modifications may have an impact on the framework partnership and/or specific grant agreements (e.g. the duration of the agreement, the reporting deadlines, the grant composition, the Beneficiary's information or the content/structure of the EMJD programme itself). Because of these contractual consequences, such changes will have to be dealt with through formal amendments or exchanges of letters.

Where modifications need a formal amendment of the framework partnership and/or specific grant agreements the Beneficiary must send the Agency a written request for such an amendment, dated and signed by its **legal representative**. In order to be considered by the Agency, amendment requests must be submitted at least 30 calendar days before the end of the period of eligibility detailed in the specific grant agreement concerned, except in cases duly substantiated by the partner and accepted by the Agency.

Please note that request for changes leading to a modification of the agreement 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 lead to a refusal of the request. It should also be noted that if no request is submitted, this can cause serious difficulties at the stage of assessing the Progress and Final Report and, in certain circumstances, result in a reduction of the final grant.

The Agency will examine, in each case, whether or not to approve the requested change and will inform the Beneficiary of its decision. The approval of a request for modification of the agreement(s) is not automatic and Beneficiaries should try to limit, as far as possible, the number requests during the duration of the specific grant agreement. The proposed modification may not have as its purpose or effect to modify fundamentally the content of the specific grant agreement.

Unless otherwise specified, the modification will enter into force once the Agency has either countersigned amended agreement (cases identified under A below) or sent his signed letter to the Beneficiary (cases identified under B below).

The purpose of the below list of examples is to inform the Beneficiary which modifications to an Erasmus Mundus Joint Doctorate Programme would require a formal amendment and which modifications would be handled through an exchange of letters.

Other type of modifications, related to the daily management of the EMJD and that do not affect the agreement are presented under **section III. H. below**.

### **A. MODIFICATIONS REQUIRING A FORMAL AMENDMENT**

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

The Joint Doctorate Programme was approved on the basis of the Consortium proposed by the applicant in the application. The Consortium is a decisive factor for the quality of the Joint Doctorate Programme. Any change in the Consortium is therefore a substantial change to the Joint Doctorate Programme.

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

As a general rule, a change in Consortium may result either from the arrival of one (or more) additional partner(s) (which may under no circumstances lead to an increase in the grant awarded), the departure of one (or more) partners, the replacement of one partner by another, or the change of status from associated partner to full partner and vice versa.

These events will necessarily have an impact on the content and, maybe, the quality of the Joint Doctorate Programme, since the departure of one of the partners or the arrival of a new partner changes the structure of the Joint Doctorate Programme and will affect its teaching/research 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 and the fellowships among partners as well as payment modalities.

If a change in Consortium is envisaged a new and full description of the Doctoral Programme and the role of each partner institution must be submitted to the Agency and endorsed by the (remaining) partners. 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 5-year framework agreement will be terminated.

It should be stressed that should a partner leave the Joint Doctorate Programme during the period of eligibility, the use of the flat rate and the payment of fellowships by that partner remains an eligible expenditure of the Consortium, provided this expenditure has happened before the partner's departure and that the Beneficiary is able to supply the relevant supporting documents regarding the payment of fellowships.

Changes of associated partners are not considered to be formal amendments, a notification to the Agency is sufficient (see section III. H. below)

### **A.2 Change of the Beneficiary/Coordinating institution**

A change of the Beneficiary/Coordinating institution (i.e. replacement by another institution partner within the Consortium) requires a formal amendment. Such changes involve a change in the legal responsibility under the framework and running specific grant agreements 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 remaining duration of the framework partnership agreement and the entire duration of any specific grant agreement still valid at the time of the amendment (i.e. from the start of the specific grant agreement until its end). Please note that responsibility on closed specific grant agreements remains with the Beneficiary organisation at the time of closure. A change of Beneficiary should always be endorsed by both organisations concerned (endorsement signed by their Legal Representatives): the former Beneficiary who renounces to all its rights and obligations in the context of the framework and specific grant agreement(s) concerned and the new one who agrees to take over the full responsibility of running agreements from the start until the end.

If the change of the Beneficiary has an impact on the content or the quality of the Joint Doctorate Programme, a new and full description of the Joint Doctorate Programme 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 5-year framework partnership agreement will be terminated.

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

Amendments concerning a change in the period of eligibility should be rare as the period of eligibility is linked to the academic year(s) in which the fellowships have to be paid out. Requests to extend the period of eligibility will only be accepted if, after careful scrutiny, the Agency deems that the extension will benefit the ongoing Joint Doctorate Programme and/or fellowship participants. Changing the end of the period of eligibility may also result in the change of the Final Report submission deadline (i.e. should the requested extension be for a period of more than 2 months the reporting deadline may be postponed by the same period by which the period of eligibility has been extended). The extension of the eligibility period cannot exceed 12 months and cannot give rise to additional funding for the consortium or the candidate.

Extension to the eligibility period will **not be granted if** a doctoral candidate requires an additional period to catch-up on research activities and/or missed modules due to:

- poor performance,
- prolonged and unjustified absence,
- a late start of their activities which necessitates an additional period to catch-up on research activities and/or missed modules.

### **A.4 Changes in the deadlines for submission of reports exceeding 30 days**

A change in the deadline for the submission of reports exceeding one month (30 days) (without the extension of the eligibility period) must be submitted as soon as possible, and before the initial contractual deadline has been reached. The prolongation request needs to be duly justified.

## **A.5 Major changes in the Joint Doctorate Programme**

Selected Joint Doctorate Programme must remain of the highest level of academic and research activities during the entire period covered by the Framework Partnerships Agreement.

Therefore, it is logical and desirable that the content of a Joint Doctorate Programme can be adapted to recent developments in the field on a regular basis. This type of ongoing adaptations of the EMJD (e.g. new/revised training activities, seminars, conferences, etc. offered to the consecutive intakes of doctoral candidates) will be communicated to the Agency in the context of the regular reporting obligations attached to each of the five specific grant agreements.

However it could happen that major changes are envisaged in the content and/or structure of the EMJD (for instance for the creation of different/new mobility tracks, a modification in the research area initially covered, a substantial change in the management structure of the consortium, a change in the linguistic aspects or in the facilities/services offered to doctoral candidates, etc.). Because these types of modifications will (/may) have an impact on the overall quality of the original proposal, they must be the object of a request for a formal amendment that will include a thorough description of the changes envisaged and their impact on the original proposal.

Depending on the scope and the impact of the modifications requested, the Agency reserves the right to have them assessed by external academic experts. If the proposed changes undermine the quality of the Joint Doctorate Programme or the basis on which the selection decision has been taken, the Agency is free to reject them.

It should be noted that the *Erasmus Mundus Programme Guide* points out that selected EMJD consortia commit themselves to maintaining the programme substantially in the form approved over the five-year period. The Agency will therefore not approve substantial changes to the content of the Joint Doctorate Programme (e.g. change of discipline or research aspects of the Programme); as such changes would undermine the basis on which the selection decision has been taken.

Because the difference between the regular adaptation (/improvement) of the EMJD and a major change of its content or structure can be understood/perceived differently, **it is strongly recommended to ask for the Agency's advice as soon as such changes are envisaged by the consortium.** This will allow to clarify the scope of the change envisaged and to specify the relevant procedure that will have to be followed.

## **B. MODIFICATIONS REQUIRING AN EXCHANGE OF LETTERS WITH THE AGENCY**

### **B.1 Change in the fellowship allocation between category A and B**

As the grant consists of a flat-rate amount for the consortium and an amount based on unit costs for doctoral candidate fellowships these cannot be increased nor can a fellowship be awarded to a doctoral candidate for an additional month in order for him / her to "catch up" with his / her studies/research activities. However, in the eventuality that the Consortium is left with unused fellowships (full or partial) following drop-outs or no-show of doctoral candidates (either in Category A or B), an exceptional transfer of a maximum 20% can be requested to compensate for a possible over-demand in the other Category (either A or B). The 20% ceiling is based on the Category A budget. The Agency will confirm the change in the budget by way of sending a letter of amendment or, if necessary, requesting further information. Pending such exchange of letters, changes are not considered approved by the Agency.

### **B.2 Change of Legal Representative within the Beneficiary organisation**

A change of Legal Representative within the existing Beneficiary organisation is not a formal amendment as such and can be handled with an exchange of letters.

The letter notifying the change to the Agency should be accompanied by an official original document confirming the capacity of the new Legal representative to enter into legal / financial commitments on behalf of the beneficiary organisation. The Agency will either confirm the change by way of sending a letter of amendment or, if necessary, request further information. Pending such exchange of letters, changes are not considered approved by the Agency.

### **B.3 Change of the Consortium Co-ordinator**

A change of the Consortium Co-ordinator is not a formal amendment as such and 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 consortia such change must be endorsed by all the partners in the consortium and this endorsement should accompany the letter notifying the change to the Agency.

The Agency will acknowledge receipt and if necessary request further information (e.g. in case of a lacking

proof of endorsement by the partners). Once approved the Agency shall inform the Beneficiary through a letter of amendment. Pending such exchange of letters, changes are not considered approved by the Agency.

#### **B.4 Change of banking information**

Change of banking information must be notified to and formally approved by the Agency. Such notification must include a revised, completed financial identification form ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/financial\\_id/financial\\_id\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm)). Once approved the Agency shall inform the Beneficiary accordingly via a letter of amendment. Pending such exchange of letters, changes are not considered approved by the Agency.

#### **B.5 Change of Beneficiary (Legal Entity) Status**

In the event that the Beneficiary changes his legal status the Agency must be informed as soon as possible at the same time providing an updated and completed Legal Entity Form ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/legal\\_entities/legal\\_entities\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm)) as well as the supporting documents referred to in the Legal Entity Form (e.g. for a public entity: a copy of the resolution, law, decree or decision establishing the entity; e.f. for a private entity : a copy of some official document showing the name of the legal entity, its address and the VAT registration number). Typically this occurs following a privatisation of a public body or vice-versa, a take-over by another organisation or following a merger of two existing legal entities. Often such changes entail changes to the banking information as well (see B.4 above). Once approved the Agency shall inform the Beneficiary accordingly via a letter of amendment. Pending such exchange of letters, changes are not considered approved by the Agency.

#### **B.6 Change of Beneficiary (Legal Entity) Data**

Similar to B.5 above, any change in the Beneficiary's data must be notified to the Agency. Typically a data change is considered to be a modification of Beneficiary's details that do not affect its Legal Status i.e. change in denomination, address or telephone/fax numbers. Once approved the Agency shall inform the Beneficiary accordingly via a letter of amendment. Pending such exchange of letters, changes are not considered approved by the Agency.

## C. SUMMARY TABLE OF MODIFICATIONS TO AN AGREEMENT

	<b>A</b> FORMAL AMENDMENT (Amendment)	<b>B</b> EXCHANGE OF LETTERS (Amendment)
<b>MODIFICATIONS</b>	1) Change in the composition of the Consortium 2) Change of Beneficiary Institution 3) Change in the period of eligibility 4) Change in the deadlines for reports' submission (without extension of eligibility period) > 30 days 5) Major changes to the joint programme (content or structure)	1) Change in the fellowship allocation between cat. A and B (less than 20% of cat. A budget) 2) Change of Legal Representative (LR) 3) Change of Co-ordinator (CO) 4) Change of bank account (BA) information 5) Change of Beneficiary (LE) status (e.g. Merger) 6) Change of Beneficiary (LE) data (e.g. denomination, address, phone/fax number)
<b>PROCEDURAL ASPECTS</b>	Request for an amendment by letter, email with supporting documents attached or form, dated and signed/sent by the Legal Representative  to be submitted at least 30 calendar days before the end of the period of eligibility	Request for an amendment by letter, email with supporting documents attached or form, dated and signed/sent by the Legal Representative  For 1) above: to be submitted at least 30 calendar days before the end of the period of eligibility; For 2) to 6) above: to be submitted as soon as the change occurs
<b>EACEA</b>	Acknowledgement of receipt will be sent  The Agency approves or rejects the request for modification in writing within <b>45 calendar days (indicative) after</b> receipt of the request  If approved, the Agency sends an official amendment for signature. The amended agreement will enter into force once both legal representatives of the Beneficiary Institution (first) and of the Agency (second) have signed it.	Acknowledgement of receipt will be sent  The Agency approves or rejects the request for modification/ confirms it has taken note of the modification in writing within <b>30 calendar days (indicative) after</b> receipt of the request  If approved, the Agency sends an amendment letter. Pending such exchange of letters, changes are not considered as approved by the Agency.

### **III. MANAGEMENT OF THE GRANT AND THE EMJD**

#### **A. FRAMEWORK PARTNERSHIP AGREEMENT**

The Agency concludes a five-year framework partnership agreement with each selected EMJD consortium. This framework partnership agreement is not a grant agreement, but it is used to define the minimal requirements and contractual conditions under which the successive specific grant agreements will be signed by both parties.

#### **B. ANNUAL SPECIFIC GRANT AGREEMENTS**

On the basis of the framework partnership agreement mentioned above, specific grant agreements are concluded between the Beneficiary and the Agency every year throughout the five-year period covered by the framework partnership agreement. The duration of each specific grant agreement corresponds to the length of the Joint Doctorate Programme offered. The specific grant agreement contains the funding for the fellowships and for the flat rate payment.

Once an Erasmus Mundus Joint Doctorate Programme has been selected, the Agency examines the consortiums grant application for fellowships submitted on a yearly basis (and for 5 consecutive years) by the co-ordinating institution. The grant application includes the list of doctoral candidates proposed for fellowships in the next Joint Doctorate Programme as well as the budget proposal for the corresponding fellowship funds.

Thereafter, the Agency determines the EU grant in accordance with the rules set out in the Programme Guide, the Erasmus Mundus Call for Proposals and the fellowship application form. The EU grant constitutes annex II to the specific grant agreement and thereby becomes a reference point for the assessment of the various Reports to be submitted (see Chapter IV).

The grant will be broken down into:

- A flat rate of € 50.000 for the consortium offering the Joint Doctorate Programme;
- Fellowship funds for Category A Doctoral candidates
- Fellowship funds for Category B Doctoral candidates

The fellowship funds are further divided as follows:

##### **Category A Doctoral Candidates:**

- A fixed contribution to travel, installation and other types of costs. These contributions amount to €7.500 per doctoral candidate.
- Participation costs (maximum 36 months): The Agency contributes € 300 /month (up to €10.800) for a non-laboratory based EMJD or € 600 /month (up to €21.600) for a laboratory based EMJD. Any amount exceeding this amount should be contributed through other funding options than the Erasmus Mundus fellowship.
- Monthly allowance for costs of living (maximum 36 months): € 2.800 per month for an employment contract (i.e. up to 100.800) and €1.400 per month for a stipend (i.e. up to €50.400). The maximum amount may not be exceeded even in the event that the duration of the Joint Doctorate Programme exceeds 36 months.

##### **Category B Doctoral Candidates:**

- A fixed contribution to travel, installation and other types of costs. These contributions amount to €3.000 per doctoral candidate if there is a foreseen mobility to Third-Country partners
- Participation costs (maximum 36 months): The Agency contributes € 300 /month (up to €10.800) for a non-laboratory based EMJD or € 600 /month (up to €21.600) for a laboratory based EMJD. Any amount exceeding this amount should be contributed through other funding options than the Erasmus Mundus fellowship. In the event of no other funding a mandatory justification on how the excess amount will be funded must be submitted.
- Monthly allowance for costs of living (maximum 36 months): € 2.800 per month for an employment contract (i.e. up to 100.800) and €1.400 per month for a stipend (i.e. up to €50.400). The maximum amount may not be exceeded even in the event that the duration of the Joint Doctorate Programme exceeds 36 months.

The specific grant agreement is concluded annually throughout the five-year period subject to;

- whether the programme has been delivered in accordance with the proposal and the Erasmus Mundus programme rules,
- whether Erasmus Mundus grantees have followed the programme,
- whether high standards of quality have been maintained,
- approval by the Agency of the annual fellowship application submitted by the co-ordinating institution of the consortium which includes a list of (category A and category B) doctoral candidates proposed to participate in the next Joint Doctorate Programme as well as the budget proposal for the corresponding fellowship funds. The details of the selected doctoral candidates have to be submitted through the Online Mobility Database. The Agency will provide all consortia each year concrete instructions on the database and concerning the grant application, in line with the Programme Guide and the Call for Proposals.

## C. MANAGEMENT OF THE FLAT RATE

The Agency pays the flat rate of € 50.000 to the co-ordinating institution in two instalments, in accordance with the payment arrangements laid down in Article 4 of the specific grant agreement. The co-ordinating institution is responsible for distributing this flat rate within the Consortium in accordance with its Consortium Agreement. Although the Agency does not request financial justifications for the payment of the flat rate it needs nevertheless, through the final report, to be informed how the flat rate was used (distributed between the partners).

## D. MANAGEMENT OF THE FELLOWSHIP FUNDS

### D.1 General Principles

The Agency pays the fellowships funds to the co-ordinating institution in two instalments in accordance with the payment arrangements laid down in Article 4 of the specific grant agreement. The Erasmus Mundus consortium pays the fellowship funds to the grantees in accordance with the arrangements agreed within the consortium and the following principles:

- *The fixed contribution* to travel, installation and other types of costs for Category A doctoral candidates (€ 7.500 per doctoral candidate) must be paid to them in full in a minimum of two instalments and in accordance to the fellows needs.
- *Participation costs* can be charged directly by the Consortia to the individual doctoral candidates' fellowship amount on a semestrial basis. The amount of participation costs charged to the doctoral candidate must be clearly specified in the Doctoral candidate Agreement which is to be signed between the doctoral candidate and the consortia.
- *The monthly allowance* for living costs (i.e. € 2.800/month for an employment contract and 1.400/month for a stipend) must be paid on a monthly basis to the doctoral candidate's personal account. **For employment contracts:**
  - The consortium will have to deduct the relevant charges and taxes attached to this type of contract. In that case, this living allowance is a gross EU contribution to the candidate's salary costs. Consequently, the net salary results from deducting all compulsory charges in accordance with national legislation. The host organisation may pay a top-up to the candidates in order to complement this contribution as long as it respects national rules and the eligibility expense criteria of these complementary resources.
  - Consortia are free to use the contract forms/templates of their choice as long as these respect national regulations and that the provisions described therein are in line with both the EMJD provisions and those of the European Charter for Researchers and Code of Conduct for the Recruitment of Researchers
- The monthly allowance can only be paid as from the month of arrival. This is especially pertinent to late arrivals of doctoral candidates' to the Programme.
- It is not allowed to split the payments into more than 36 instalments even if the EMJD lasts more than three years.

- The payment arrangements to the grantees must be in line with the provisions detailed in the relevant doctoral candidate agreements.
- Grantees are free to use their fellowships as they wish;
- Fellowships are intended for full-time study/research activities. The programme however does not foresee any restrictions for re-numerated work outside the fellowship activities providing:
  - It is in line with the national legislation of the country(ies) concerned (e.g. the visa or residence permit allows it)
  - The doctoral candidate can still dedicate the necessary efforts to their joint programme mandatory activities in order to complete it successfully within the agreed period.
- A doctoral candidate may receive additional funding for their study/research activities providing these are not from other European Commission sources/programmes
- The regular fellowship payments to the candidate can only be stopped if the candidate is expelled / released from programme, or leaves the programme on their own demand. The fellowship payments cannot be used by the programme as a “conditionality” mechanism i.e. to improve performance, ensure presence/participation etc.
- The Consortium shall be held responsible for any amount paid to ineligible candidates. Ineligible candidates are candidates that neither comply with the Programmes eligibility criteria nor with the Consortium specific eligibility/selection criteria. Any such unduly paid amounts may be recovered by the Agency.
- The Consortium shall be held responsible for any amount overpaid to candidates. Overpaid amounts are considered to be payments made to candidates for a period in which they were not actively participating in the programme i.e. A candidate having received an instalment for month “n” whereas they have left the programme in month “n - 1” or a candidate receiving payments for their research period for which they have not any proven research activities.
- The Consortium shall be held responsible for using the awarded fellowships in an improper way (e.g. using employment contracts amounts as stipends)

## **D.2 Management of the fellowship funds in case of dropout/expulsion from the Joint Doctorate Programme**

If doctoral candidate grantees withdraw their application before or during their study/research period or if they are excluded from the Joint Doctorate Programme because of lack of (/insufficient) performance, the Consortium has the possibility to reallocate the remaining monthly allowance, participation costs and fixed contribution costs to another doctoral candidate under the condition that the latter was included in the approved reserve list and that they were participating in the same EMJD edition. Such replacements must be notified to and approved in advance by the Agency in accordance with Chapter II Section B of this Handbook. Additionally the consortium should bear the following in mind:

- The doctoral candidate **must have been included in the relevant reserve list** of the same cohort which was presented to and approved by the Agency in the context of the fellowship candidates selection procedure
- The **geographical balance criteria** should be respected
- The new beneficiary doctoral candidate **must be capable to complete the Joint Doctorate** activities within the same period as all other doctoral candidates from the same cohort
- The reallocation of fellowships is **only possible in the first year** of the cohorts activities unless the potential reserve list candidate **is participating** in the programme at their own costs

At the time of the candidate withdrawal (/consortium decision to stop the fellowship payment), the consortium must inform the Agency of the unspent amount (i.e. the remaining parts of the doctoral candidates monthly allowance, participation costs and fixed contribution costs) and, if applicable, its proposal to reallocate it either to another doctoral candidate or to request a budgetary transfer between Category A and B in accordance with Section II Article B.2. Further details on the withdrawal/cancellation of a fellowship will have to be provided in the progress report and/or request for further pre-financing but in any case with the final report.

In this context, and prior to the candidates receiving any payment, the Consortia should ask them to sign a declaration whereby they bind themselves, in the eventual case of termination of the programme (e.g. doctoral candidate did not reach the minimum requirements to continue, lack of active participation, due to

personal reasons/choices etc), to reimburse the portion of the amount received which exceeds their actual insofar incurred expenditure (i.e. based on the number of months they attended/completed, and/or a copy of their “return ticket”). This should be further elaborated in the doctoral candidate agreement.

### **D.3 Management of the fellowship funds in case of course interruption**

#### ***Employment Contracts***

##### *Parental and maternity leave:*

Parental leave is taken by the candidate in accordance with the law applicable to the employment contract. It is paid by either the social security system or the employer. As a consequence the payment of the EMJD fellowship is interrupted – only to be assumed once the candidate returns to the Programme.

As far as the contract duration is foreseen, the period of parental leave is considered to be a suspension of the agreement the fellow has with the host institution. The period of suspension ends at the end of the parental leave. If the parental leave occurs towards the end of the contract the coordinator should ask for an amendment to the contract extending its period of eligibility in accordance with Chapter II Article A3.

##### *Sick leave:*

In the event of sick leave the sick leave period is paid by the social security, and not to be financed from the fellowship grant

As far as the contract duration is foreseen and depending on the length of the sick leave the period of sick leave can be considered to be a suspension of the agreement the fellow has with the host institution. The period of suspension ends at the end of the sick leave. If the sick leave occurs towards the end of the contract the coordinator should ask for an amendment to the contract extending its period of eligibility in accordance with Chapter II Article A3.

#### ***Stipends:***

A doctoral candidate fellowship can be put on hold if the doctoral candidate has to temporarily leave the joint programme following duly justified and well documented reasons. In such a case the fellowship payment must be interrupted until the candidate is again physically present at their host institution and can actively participate in the research programme activities.

If despite the temporary absence the candidate can catch up on their research activities without needing to extend the originally agreed research period, the monthly allowances corresponding to the period of interruption could be paid to the candidate after seeking authorisation from the Agency.

If on the contrary, the absence is too long and requires an extension of the originally agreed research period, the consortium must send the Agency a duly substantiated request to extend the eligibility period for the specific agreement in question. Such an extension will be granted after the reception and approval of the relevant documents (justification of the candidate’s absence), and will lead to an amendment of the specific agreement (see Chapter II Article A3 above). The extension cannot exceed 12 months and cannot give rise to additional funding for the consortium or the candidate.

### **E. PAYMENT OF THE GRANT**

As stated under Article 4 of the specific grant agreement, the 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.

The further pre-financing payment corresponding to the remaining part of the grant will be paid after the reception by the Agency of a formal payment request submitted by the beneficiary and confirming that at least 70% of the first pre-financing amount has been used. Such justification shall be made using the “Further Pre-financing Request” form in annex III to the specific grant agreement.

When calculating the 70% of the first pre-financing amount beneficiaries should take into account expenditure calculated per candidate and related to the fixed contribution for travel/installation costs, participation costs and the monthly allowance amounts.

The Agency shall have 90 days to both approve the report and execute the further pre-financing payment or to reject the report/request and ask for additional supporting documents or information. In case of the latter the partner shall have 15 days to submit the additional information requested or to submit a new report.

The beneficiary i.e. coordinating institution has the responsibility to distribute the lump sum and fellowship payments to the consortium partners in line with the provisions foreseen in the signed consortium agreement.

## F. BANK ACCOUNT

The account or sub-account specified in the specific grant agreement and to which the Erasmus Mundus grant will be paid should be:

- in the name of the Beneficiary institution (personal accounts are not acceptable under any circumstances);
- denominated in Euro;
- must be able to identify the payments made by the Agency as well as any interest generated on this account;
- in one of the 27 Member States of the EU or an EFTA-EEA state.

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 either deducted from the final payment (in the event that no further pre-financing request was submitted) or recovered in accordance to the corresponding article of the Framework Partnership Agreement.

In the eventuality that the nominated account or sub-account is not denominated in € the beneficiary, for reporting purposes shall use the monthly exchange rate applicable at the time when the last of the two parties signed the specific grant agreement.

The payment of the fellowship in a currency different to the Euro shall be made using the daily exchange rate on which the grant recipient is paid and ensuring that they always receive the Euro counter equivalent – any exchange rate gain/loss is to be managed by the Beneficiary/coordinating institution.

## G. ACCOUNTING SYSTEM / INTERNAL CONTROL

The Beneficiary must set up an adequate accounting system, which must make it possible to easily identify the payment of fellowships to doctoral candidates at anytime throughout the period of implementation of the specific grant agreements until their balances are paid and for a period of five years from the date of payment of the balance for the corresponding action.

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

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

## H. MANAGEMENT OF THE EMJD

Any full partner organisation whose name does not appear in the original application submitted by the Beneficiary or whose participation in the Joint Doctorate Programme has not been approved in advance in writing by the Agency, will not be recognised as such in the framework of the specific 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.

In complement to the EMJD changes leading to a modification of the agreement that are presented under section II above, other changes may occur as the ones mentioned below which will not affect the agreement but that nevertheless require a notification to the Agency (by letter or e-mail sent by the legal representative or the coordinator) in order to be recorded in its relevant management tools and taken into account for the efficient monitoring of the joint programme.

### H.1 Change of an associated partner within the Consortium

A change of an associated partner within the Consortium does not modify the agreement. However since the associated partner may play an important role in the promotion, implementation, evaluation and sustainable development of the EMJD and the Consortium as such, such changes must be endorsed by the partners and notified to the Agency.

The Agency will acknowledge receipt of the notification by the Beneficiary and if necessary request further information (e.g. in case of a lacking proof of endorsement by the partners). Once accepted the Agency shall notify the Beneficiary accordingly.

## **H.2 Changes in the deadlines for submission of reports (up to and including 1 month)**

A prolongation of the report submission deadline up to and including one month may be requested via a simple notification. The prolongation request needs to be duly justified. Without any reaction by the Agency within 15 working days after receipt of the request, the change of the deadline for submission of the report is deemed to be approved.

## **H.3 Changes in the Legal representative's, Coordinator's or partner's contact data**

While the change of a legal representative or a coordinator affects the agreement and has to be handled via the procedures described under section II above, changes in their contact data (as well as the partners' contact data) have to be notified to the Agency in order to update the relevant management tools.

## **H.4 Other**

All other changes that are not covered above (or under section II) will be communicated to the Agency in the context of the regular reporting obligations attached to each specific agreement (see Chapter IV). This may concern for instance, minor changes (/ongoing improvement) of the EMJD content and/or structure.

Erasmus Mundus Joint Doctorate Consortia should nevertheless be very careful to ensure that such changes are not in conflict with the basic requirements of the programme and/or that they do not affect the overall quality of the original proposal.

As a result, in case of doubt, coordinators are invited to liaise with their contact persons in the Agency in order to verify the acceptability of the change envisaged and, if applicable, the relevant procedure that will have to be followed.

## IV. TECHNICAL AND FINANCIAL REPORTS

### A. INTRODUCTION

Monitoring of the Joint Doctorate Programme implementation is ensured by the reports, by follow-up visits organised by the Agency, and by the consultation of the data recorded by the EMJD in the EM mobility database (<https://eacea.ec.europa.eu/erasmus-mundus/index.cfm>).

Reporting is a crucial phase of the Joint Doctorate Programme since it allows a review and an assessment of:

- the maintained quality of the Joint Doctorate Programme;
- the participation of the selected Doctoral candidates in the Joint Doctorate Programme as well as the payment of fellowships to these grantee holders;
- the correct handling of the fellowship funds disbursed by the Joint Doctorate Programme Consortium to the doctoral candidates.

In order to ensure an efficient monitoring of the EMJD, different type of reports will have to be submitted throughout the Framework Partnership Agreement (FPA) and Specific Grant Agreement (**SGA**) duration. For both 3 and 4 year EMJDs (and in accordance with Article 5 of the SGAs):

- Progress Report (**PR**) (annex IIIa to the specific grant agreement) to be submitted for the first and second SGA;
- Further Pre-financing Request (**PF**) (annex III to the specific grant agreement) to be submitted for every SGA when at least 70% of the first instalment has been spent;
- Final Report (**FR**) (annex IV to the specific grant agreement) shall be submitted after the end of the SGA's eligibility period;

The shaded columns below represent the "overlapping" reporting phases throughout the lifetime of a FPA. Specifically this means that each submitted report must refer to any activities implemented in each and all ongoing editions of the EMJD (including the preparatory activities for the next edition).

Although the dates for the progress report (PR) and final report (FR) are contractually stipulated, the submission of the further pre-financing request (PF) is indicative and dependant on when the consortium has disbursed at least 70% of its first pre-financing payment. However for the sake of efficiency (and simplification) it is highly recommended that the request for the further pre-financing for the ongoing edition is submitted with the Final report of the previous edition thus allowing the submission (and processing) of one single combined report rather than two separate reports.

The reporting pattern of a 3 year EMJD:

Year N	N+1		N+2			N+3		N+4		N+5	
Jun Dec	Mar Jun	Dec	Mar Jun	Nov Dec	Jun Nov	Dec	Jun Nov	Dec	Jun Nov	Dec	
SGA	PR		PR		PF		FR				
	PR	SGA	PR		PF		FR				
			PR	SGA			FR			FR Etc...	
				PF		SGA				PF Etc...	
							FR	SGA		FR Etc...	

The reporting pattern of a 4 year EMJD (in essence the same as 3 year EMJD with the exception of the final report due 1 year later):

Year N	N+1		N+2				N+3			N+4			N+5		
Jun Dec	Mar Jun Dec	Mar Jun Nov Dec													
SGA	PR				PF						FR				
		SGA	PR					PF						FR	
				SGA							PF			Etc...	
							SGA							PF Etc...	
										SGA				Etc...	

As the Reports are the main monitoring and evaluation tools, they must provide as complete and accurate a picture of the state of play of the Joint Doctorate Programme and the fellowship scheme as possible. Beneficiaries are therefore advised to read the Report forms carefully so that they are familiar with the content and aware of the accounting information required for their completion. Special attention should be paid to the instructions on the report forms.

## B. FORMAL REQUIREMENTS FOR REPORTS

For the Agency to be able to assess the reports the forms in the annex to the specific grant agreement (annex III for the Progress Report and for the Further Pre-financing Request, and annex IV for the Final Report) must be used. The Agency will provide the beneficiaries with the electronic format of the form approximately one calendar month before the submission deadline of the report. If a report is not presented in its correct form or is presented in an incomplete way, the Agency may decide not to analyse 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 Joint Doctorate Programme cancelled and the Beneficiary required to reimburse the Agency the grant already paid.

All submitted reports must be accompanied by endorsed print-outs from the online database guaranteeing the accuracy and completeness of the data contained therein.

## C. PROGRESS REPORT

A "Progress Report" (annex III of the specific grant agreement) is to be submitted on 15 March following the year of signature of the first two Specific Grant Agreements. The report must cover the reporting period elapsed since the submission of the last report or, if no reports have yet been submitted, from the start of the specific grant agreement to the submission date of the Progress Report.

The purpose of the "Progress Report" is to:

- ensure that the Joint Doctorate Programme (and Consortium) gets off to a successful start at the beginning of the framework partnership agreement
- ensure that the Programme is being delivered in line with the approved and accepted application,
- address immediately any unexpected problems which arise during the phase of the programme implementation
- ensure that any conditional eligibility criteria have been respected and fulfilled (e.g. signing of a consortium agreement etc.)
- ensure that all necessary evaluation and quality assurance mechanisms are in place ensuring not only a smooth running of the Joint Doctorate Programme but also the regular evaluation of doctoral candidates and the qualitative content of the programme.

In case of patent non-compliance with such high quality standards the Agency may cancel the Joint

Doctorate Programme and ask for the reimbursement of the grant.

## **D. REQUEST FOR FURTHER PRE-FINANCING**

Once 70% of the first instalment has been used up the Beneficiary is entitled to request the payment of the remaining part of the fellowship grant.

In order to do so, they need to fill in and submit the "further pre-financing request form" (annex III of the specific grant agreement). This payment request must include:

- an overview of the financial implementation of the fellowship scheme in order for the Agency to check the level of consumption of the first instalment;
- a summary of the activities undertaken since the submission of the last report for all ongoing editions of the EMJD

Upon approval of this financial statement, the next pre-financing payment can be paid to the Beneficiary. The Agency reserves the right not to pay the full amount of the further pre-financing payments if it is clear that the consortium will not be able to pay the full amount of fellowships specified in the specific grant agreement due to dropouts who will not be replaced by doctoral candidates from the reserve list.

## **E. FINAL REPORT**

### **E.1 General Principles**

The purpose of the Final Report is to evaluate both the implementation of the fellowship scheme and the implementation of the Joint Doctorate Programme for the corresponding doctoral candidate cohort. Its further purpose is to financially close the specific grant agreement. Therefore, all expenditures must have been incurred and all fellowships paid to grantees before the Final Report is submitted (see Article 5 of the specific agreement).

The reporting period of the Final Report covers the period of eligibility of the specific grant agreement. However due to the overlapping nature of the Final Report with ongoing Joint Doctorate Programmes, all final reports are expected, in an annex, to report on the development and progress of the ongoing Joint Doctorates in terms of Programme content and administration.

Approval of the Final Report by the Agency does not imply that the Agency recognises the regularity or correctness of the Report's content. A consortium can always be subject to an audit (see Chapter V of this Handbook).

### **E.2 Description of the Doctorate Programme and fellowship scheme for the already concluded academic year(s)**

This part of the Final Report is intended to provide a detailed picture of how the fellowship scheme was implemented, possible problems encountered and what measures the consortium has taken (/will take) to avoid these problems in the successive cohorts. It also provides a summary description of the implementation of the ongoing rounds of the Joint Doctorate Programme and the activities of the candidates.

When answering the questions relating to the technical part of the Final Report, the Beneficiary should go back and duly up-date what has been written in previous reports taking into account the feedback received by the Agency on the report(s) concerned.

### **E.3 Financial part: declaration of expenditure under the fellowship scheme**

This part of the Final Report consists of a detailed declaration of the fellowships paid out under the Erasmus Mundus fellowship scheme during the whole duration of the specific grant agreement. This declaration is based on unit costs per grantee (for stipends) and on actual costs (for employment contracts) as described in annex II to the specific grant agreement and the Final Report form. The amounts to be declared concern only the Erasmus Mundus funding and not any other co-funding amounts that the consortium may have used. Interests gained on pre-financing payments must also be declared in the Final Report. In the eventuality that no interest was earned it must be clearly mentioned with an explanation as to why not.

Copies of supporting documents (contracts, 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 15 days. Failure to do so may result in a reduction or even the cancellation of the grant.

#### **E.4 Financial part: Non-declaration of generated interest**

In the event that the co-ordinating institution has an interest generating account but declares itself unable to provide the Agency with this amount the Agency shall calculate the amount on their behalf. The calculation shall be based on 5 pre-defined criteria;

- a) the EM pre-financing amounts received by the institution
- b) the bank value dates when these amounts were charged from our bank account
- c) an equal monthly deduction of the pre-financing amount
- d) the monthly interest rate issued by the European Central Bank
- e) any financial declarations given by the institution such as the level of expenditure reached at the submission of the request for further pre-financing

The calculated interest shall be sent to the Legal Representative giving a 60 calendar day appeal deadline. Where no appeal is submitted within 60 calendar days a refund request (debit note) will be sent to the coordinating institution. In the event that an appeal is submitted this **must include a revised calculation of interest generated and must be signed by the Legal Representative**. The revised calculation shall not be questioned by the Agency but shall be substantiated and justifiable by the co-ordinating institution in the event of a financial Audit.

#### **E.5 Possible reimbursement of part of the grant**

The Agency will analyse the declaration of expenditure in order to arrive at the final EU grant. This analysis may lead to a request for reimbursement of a certain amount (e.g. interests gained on pre-financing or reimbursement of unpaid fellowships due to dropout of candidates), as the totality of the grant has been paid to the Beneficiary in advance. If the Beneficiary has to reimburse a certain amount a recovery order will be issued by the Agency for the agreement in question. The financial analysis of the Final Report will be explained to the Beneficiary in a settlement letter.

#### **E.6 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 coordinating 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.

### **F. 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 Joint Doctorate Programme and fellowship scheme 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 Joint Doctorate Programme and that the fellowship scheme is being managed and implemented in accordance with the rules set out in the framework partnership agreement, the specific grant agreement and their annexes.

### **G. FINAL SUMMARY REPORT AT THE END OF THE FIVE YEAR PERIOD**

At the end of the framework partnership period for which a Joint Doctorate programme has been selected, the co-ordinating institution of the consortium shall submit a Final Summary Report on the experience of running the Joint Doctorate programme and the fellowship scheme. This Final Summary Report will cover the entire eligibility period and will be a summary of the findings of the annual Final Reports. A report form for this Final Summary Report will be made available by the Agency at the time of the last renewal of the Joint Doctorate Programme.

## **V. SUPPORTING DOCUMENTS & AUDITS**

### **A. GENERAL REMARK**

As set out in Article II.19 of the framework partnership agreement, an operational and / or financial audit can be carried out on-the-spot by the Agency or by any other outside body authorised by the Agency at any time. The European Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may also carry out on-the-spot checks and inspections. Such audits may be carried out throughout the period of implementation of the specific grant agreements until their balances are paid and for a period of five years from the date of payment of the balance for the corresponding action. In such cases, the Beneficiary will be notified that an inspection visit will be made.

On receipt of this notification, the Beneficiary is 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. The audit will cover the management of the fellowship scheme not only by the Beneficiary, but also by the partner institutions. The audit will not cover the flat rate granted under Action 1.

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 basic accounts and to ensure that EU funds are being / have been spent in accordance with the framework partnership agreement, the specific grant agreement and its annexes and that the fellowship scheme is being / has been implemented;
- secondly, audits provide a good opportunity for contact and dialogue between the auditors and the Beneficiary. If any management problems are found, the auditors will work with the Beneficiary to seek a solution and, if necessary, improve existing internal procedures in order to make the best possible use of EU funds. The auditors will be open to any comments and / or suggestions that the Beneficiary and 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. To this effect all original invoices or accounting documents of an equivalent value relating to the Action must be kept for a period of five years from the closure date of the framework partnership agreement / specific grant agreement.

### **B. DOCUMENTS REQUIRED**

In principle, supporting documents must satisfy the following conditions:

- documents from the Beneficiary must be original and dated;
- documents from the partners 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 fellowships have been paid out to the selected doctoral candidates and can take the form of salary slips, payment slips, receipts, invoices, proofs of stays, bank statements, etc. Supporting documents for the spending of the annual flat rate need not be provided.

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

If the Beneficiary cannot provide adequate supporting documents or if the supporting documents available do not satisfy the requirements set out in this chapter, the auditors reserve the right to deduct the costs in question from the EU grant.

### **C. FINDINGS AND OUTCOME**

Audit Reports are internal documents and are confidential. However, the Beneficiary 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 fellowship scheme;
- Expenses not covered by supporting documents have been found: these will entail a demand for reimbursement to the Agency.

## **VI. EMJD MONITORING**

### **A. MONITORING VISIT**

During the life of the framework partnership agreement the Agency (with a possible participation of the National Structures) will visit the Consortium at least once in the context of a monitoring visit.

The monitoring visit should help to ensure that serious problems are avoided through the very early identification of any difficulties inhibiting the project's successful implementation. A monitoring visit gives both applicants and the Agency the opportunity to improve the quality of projects as a whole.

This should in no way be seen as an Audit. The financial monitoring will consist in identifying what arrangements are there to control and monitor project implementation and to detail any problems.

Occasions for monitoring visits:

- visit by Agency representative(s) to a partnership meeting (during the doctoral candidate selection exercise);
- visit by Agency representative(s) to the premises of the coordinator/partner organisation (during one of the annual consortium meetings);
- Additional project monitoring methods may be developed in response to new needs that arise. If the monitoring requires a visit to coordinators premises, the Agency will confirm in advance and in writing the purpose of the visit, the issues to be addressed and, where appropriate, the list of documents that should be made available or submitted in advance.

The Agency will provide feedback to the coordinator after any meeting has taken place.

The Agency's visit to the coordinating and/or partner institution can take place at any time during the lifetime of the project. The objectives of the visit are: to verify the status of the project's implementation, organisation and implementation of the mobility; to obtain a clear picture of how well the project is being managed; to see how well partners are cooperating; and to provide the project with support and guidance. At a more detailed level, the visit will focus on the follow-up of the mobility implementation, communication between the partners, administrative practices, project documents as well as on general questions relating to the financial management of the project. The Agency shall also require meeting with EMJD doctoral candidate fellowship holders.

During this visit the Agency representatives may wish to use the opportunity to cover specific areas related to project implementation as well as to cover management issues with the coordinator and other project representatives.

### **B. MEETINGS ORGANISED BY THE AGENCY**

Representatives of the consortium must participate in meetings organised by the Agency up to two meetings per SGA. Expenditure related to this participation must be financed by the consortium out of the flat rate referred to in Article I.4.1 of the Framework Partnership Agreement.