



Education, Audiovisual and Culture Executive Agency

Erasmus Mundus & External Cooperation

# **ERASMUS MUNDUS PROGRAMME**

## **ADMINISTRATIVE AND FINANCIAL HANDBOOK**

### **ACTION 2 – PARTNERSHIPS Strand 1 and Strand 2**

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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 projects; on the other hand it outlines the rules applicable to grants awarded under the Erasmus Mundus Action 2, managed by the Education, Audiovisual and Culture Executive Agency (hereafter the Agency). The Handbook forms Annex V to the Grant Agreement; consequently, the rules contained in it are contractually enforceable.

The Handbook is also intended to:

- help Beneficiaries to run the action efficiently;
- specify various matters arising from the Grant Agreement and its annexes;
- provide practical information to which Beneficiaries may refer at the various stages of the action;
- provide guidance for Beneficiaries on handling the financial side of the Grant Agreement;
- ensure the smoothest possible relations between the parties involved by setting out an operational framework for the action.

This document is in line with the **Financial Regulation** (FR) of the European Union, which is point reference for the principles and procedures governing the establishment and implementation of the EU budget and the control of the European Union's finances. ([http://ec.europa.eu/budget/documents/financial\\_regulation\\_en.htm](http://ec.europa.eu/budget/documents/financial_regulation_en.htm))

## GLOSSARY

**Associated Member:** any organisation that can contribute to the promotion, implementation, evaluation and sustainable development of the mobility scheme can be considered as an associated member of the Partnership. The associated members are not entitled to benefit financially from the grant.

**Beneficiary:** also referred to as “Coordinating institution”, is the institution that, on behalf of the Partnership of participating institutions, has signed a Grant 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 Partnership and for the use of the European Union (EU) funds allocated to the project.

**Co-ordinator (CO):** 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.

**EACEA Mobility Tool (EMT):** specific tool developed to allow the monitoring of the implemented individual mobility. Username and password are given by the Agency for access.

**Erasmus Mundus Programme Guide:** applies to the entire duration of the Programme and gives guidelines for the implementation of cooperation activities or receiving individual scholarships within the Erasmus Mundus Programme (2009-2013). It provides explanations to 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 Union (OJ L 390/2006 of 30 December 2006); Commission Regulation No 478/2007 of 23 April 2007 amending Regulation No 2342/2002 laying down detailed rules for the implementation of Council Regulation No 1605/2002 on the Financial Regulation applicable to the general budget of the European Union.

**Grant Agreement for an Action (GAA):** the Agency concludes a Grant Agreement with the applicant of each Partnership selected under the Erasmus Mundus Action 2 programme. The duration of the Grant Agreement corresponds to the length of the activities foreseen and the period of eligibility is maximum 48 months.

**Guidelines to the Call for Proposals:** provides specific information on the individual geographical windows/ lot covered by the annual Call for Proposals. It contains essential information such as the available EU budget, partnership composition, type of mobility and distribution, thematic field of study and project duration for each of the third country lots covered by the Call for proposals.

**Higher Education Institutions (HEI):** an establishment providing higher education and recognised by the competent national authority of a participating country as belonging to its system of higher education.

**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.

**Joint coordination:** a shared coordination of the partnership between the applicant coordinating institution (European) and a third-country co-coordinating institution. The co-coordinating institution must be actively involved in coordination and management tasks of the partnership, and - together with the applicant - is responsible for the day to-day coordination and management of the partnership.

**Learning Agreement (LA):** is an agreement developed for mobile students in order to provide a binding commitment among the three parties involved: the home institution, the host institution and the student before the start of the mobility. Learning Agreements contain the list of course units or modules or other educational components the student is planning to take at the other institution, together with the code numbers and the ECTS credits or similar allocated to the components. The Learning Agreement, together with the Transcript of Records, is designed to guarantee full recognition of the programme of study undertaken at the host institution. By registering the student, the higher education institution enters into an agreement to deliver the courses and to grant credits for the achievement of the expected learning outcomes. Home institution will integrate the mobility and the granted credits to the study programme of the student after his/her return.

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

**Memorandum of Understanding (MoU):** document that describes all the agreements reached between the partners with regards to all aspects related to the management of the partnerships and organisation of the mobility. It outlines the role and responsibility of the partners within the organisation of mobility activities, the procedure and criteria for the selection of candidates as well as the foreseen measures to tackle specific programme objectives such as recognition, quality assurance, prevention of brain drain and sustainability. It must also contain specific provisions in terms of financial management of the grant.

**Minimum requirements for the selection procedures:** document presenting a set of minimum requirements to be followed during the selection procedure of students and staff, focusing on the process of the scholarship attribution to Third-country and European candidates and to be signed by the coordinator on behalf of the partnership: transparency and equitable treatment of individual applications must be guaranteed.

**Partner:** any Higher Education Institution, other than the Beneficiary, eligible according to the Erasmus Mundus Action 2 Call for proposals, 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 action (i.e. organisation of the mobility and mobility flows of students and staff).

**Partnership:** is the group of European and Third Country Higher Education Institutions (HEI) selected for implementing the project. The partnership is composed of one coordinating institution/Beneficiary, partner institutions and associated member.

**Project:** plan for implementing activities in accordance with the objectives of the Erasmus Mundus Action 2. The project has a starting date, specific goals and conditions, defined responsibilities, a budget, a fixed end date and multiple partners involved.

**Student Agreement (SA):** agreement signed between the Partnership and each student selected for an Erasmus Mundus Action 2 scholarship, explicitly indicating any academic, financial and administrative modalities related to the student's scholarship at the host institution and the award and usage of the scholarship.

## I. INTRODUCTION

### *Roles of the Beneficiary and Partners*

By signing the Agreement, the Beneficiary undertakes to:

- a) have full responsibility for ensuring that the action is implemented in accordance with the Agreement;
- b) be the intermediary for all communication between the partners and the Agency. Any claims that the Agency might have in respect to the Agreement shall be addressed to and answered by the Beneficiary, except where specifically stated otherwise in the Agreement;
- c) be responsible for supplying all documents and information to the Agency which may be required under the Agreement, in particular in relation to the requests for payment. The Beneficiary shall not delegate any part of this task to the partners or to any other party. Where information from partners is required, the Beneficiary shall be responsible for obtaining and verifying this information and for passing it on to the Agency;
- d) inform the partners of any event of which the Beneficiary is aware that is liable to substantially affect the implementation of the action;
- e) request and receive, on behalf of the partners, all payments made by the Agency to the bank account referred to in Article I.6 of the Agreement and distribute the EU grant between partners in accordance with this Agreement. The Agency declines any responsibility with regards to the relations between partners, in particular and including the dividing of the grant between the beneficiary and its partners. Making the Agency aware of the agreements concluded between the beneficiary and its partners does not in any way change the beneficiary's responsibility in this respect;
- f) be responsible, in the event of audits, checks or evaluations, as described in Articles II.6 and II.18 of the Agreement, for providing all the necessary documents, including the accounts of the partners, the original accounting documents and signed copies of subcontracts, if any have been concluded by the Beneficiary institutions in accordance with Article II.9.

Each partner shall:

- a) agree upon appropriate arrangements for the performance of the action (Memorandum of Understanding);
- b) forward to the Beneficiary the data needed to draw up the reports, financial statements and other documents provided for in the Agreement, including its Annexes;
- c) ensure that all information to be provided to the Agency is sent via the Beneficiary, except where the Agreement specifically stipulates otherwise;
- d) inform the Beneficiary immediately of any event affecting or delaying substantially the implementation of the action;
- e) provide the Beneficiary with all the necessary documents in the event of audits, checks or evaluations, as described in Articles II.6 and II.18 of the Agreement. The documents which have to be sent to the coordinator by the partners should ensure:
  - traceability of payments (payment orders, bank statements, acknowledgements of receipt

signed by the students etc.);

- the possibility to check the implementation of mobility (Learning Agreement between the home and host institutions, student agreement signed by the scholarship holder and the host institution, arrival certificate, boarding passes of both arrival and departure dates etc.).

The Beneficiary and partners institutions undertake to:

- a) respect the common general objectives that formed the basis for establishing the partnership;
- b) fulfill the actions set out in the application, together with the work programme jointly agreed between the parties;
- c) make every effort to achieve in practice the common general objectives of each action for which the EU grant is awarded;
- d) refrain from any action that could contribute to favoring brain drain from Third Countries participating in the scheme;
- e) encourage Third Country participants in mobility activities to use the knowledge and skills acquired in benefit of the social, human, economical and political development of their countries;
- f) encourage all participants in the mobility activities to become ambassadors for the better understanding between the peoples;
- g) maintain relations of mutual co-operation and regular exchanges of information with the Agency on matters of common interest;
- h) display a transparent attitude with regard to managing and reporting on the actions for which the EU grant is awarded and co-operate fully with annual or occasional checks on the implementation of the Agreement.



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

If the smooth running of the project so requires, the Beneficiary has the possibility to introduce certain modifications on behalf of the Partnership.

In order to be considered by the Agency, the amendment requests must be submitted to the Agency:

- by an official letter or form dated and signed by the Legal Representative (LR) of the beneficiary, that is the person who signed the Grant Agreement or his/her legal replacement;
- **before the change occurs and at least 30 calendar days before the end of the eligibility period given in the Grant Agreement.**

Some of these changes will require a formal amendment of the Grant Agreement, others an exchange of letters between the Agency and the Beneficiary and certain minor modifications only need notification to the Agency. The Agency sends an acknowledgement of receipt (AoR). The formalities of the procedures for modification are described below.

Any request for an amendment must be supported by a detailed justification of the changes. Failure to provide supporting documentation may considerably delay the review process and could lead to a refusal of the request.

The Agency will examine case by case, whether or not to approve the requested amendment and will inform the Beneficiary of its decision. Approvals of requests for an amendment are not automatic.

Beneficiaries should try to limit, as far as possible, the number of amendments requested during the duration of the Grant Agreement.

If for substantial changes no request for an amendment is submitted, this will cause serious difficulties at the stage of assessing Progress and Final report and in certain circumstances can result in a reduction of the final grant or a termination of the Grant Agreement.

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

Where the modification needs a formal amendment, the Beneficiary must send a written request to the Agency, dated and signed in original by the Legal Representative (LR). The amendment may not have as its purposes or effect to modify fundamentally the content of the grant agreement. The amendment, unless otherwise specified, will enter into force once both - the LR of the Beneficiary, acting on behalf of the members of the Partnership, and the Agency - have signed it.

#### **II.A.1 Change in the composition of the Partnership**

The project was approved on the basis of Partnership proposed by the applicant in the application form. The composition of the Partnership is a decisive factor for the qualitative implementation of the project. Any change in the composition of the partnership is therefore considered a substantial change.

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

These events will necessarily have an impact on the content and/ or the quality of the action, on

mobility arrangements and can also have consequences in financial terms, in particular as regards the distribution of the grant and the scholarships among the partners as well as payment modalities.

If a change is envisaged, a new full description of the project, the role and the responsibilities of each partner must be submitted. This description will be assessed against the eligibility, selection and award criteria used at application stage, if necessary with the help of external experts. Should the new composition of the Partnership be judged ineligible or of insufficient quality, the Grant Agreement will be terminated.

As the completion of ongoing mobility needs to be ensured, a change in the partnership will not be granted if individual mobility flows are still ongoing with the partner(s) concerned.

If a partner leaves the Partnership the use of the lump sum and the payment of the scholarships by that partner remains an eligible expenditure of the Partnership, provided that this expenditure occurred before the partner's departure and that the Beneficiary is able to provide the relevant supporting documents regarding the payment of the scholarship.

### **II.A.2 Change of the Coordinating institution**

A change of the Coordinating institution (i.e. replacement by another institution of the Partnership) requires a formal amendment, as it involves a change in the legal responsibility.

A change of Coordinating institution should always be endorsed by both institutions concerned by the Partnership. In an official document signed by both Legal representatives, the former Coordinating institution will have to renounce to all its rights and obligations in the context of the Grant Agreement(s) concerned while the new one will have to agree to take over the full responsibility of the Grant Agreement(s) from the start until its end. Moreover, this change must be endorsed by all the partners and this endorsement should accompany the request addressed to the Agency.

A change of the Coordinating institution has an impact on the content or the quality of the proposed action, a new and full description of the project, the actions and the role of each partner must be submitted. This description will be assessed against the eligibility, technical, financial and award criteria used at application stage, if necessary with the help of external academic experts.

The new Coordinating institution 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).

Should the new Partnership be judged ineligible or insufficient in quality, the Grant Agreement will be terminated.

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

Requests to change the period of eligibility will only be accepted by the Agency in very specific and duly justified cases. The extension of the eligibility period cannot exceed 12 months and cannot give rise to additional funding.

A change to the end of the period of eligibility affects the deadline for submission of the Final Report, which will be postponed by the same period by which the period of eligibility has been extended.

### **II.A.4 Changes in the deadlines for reports' submission (not related to an extension of the eligibility period) major than 30 days**

Requests to change the deadline of reports' submission will only be accepted by the Agency if duly justified and substantiated.

## **II.B MODIFICATIONS REQUIRING AN EXCHANGE OF LETTERS**

The request for amendment must be dated and signed by the Legal Representative (LR). If necessary, the Agency may request further information. The Agency must send a letter approving or refusing the request.

### **II.B.1 Change of Legal Representative (LR)**

The letter notifying the change to the Agency must 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.

### **II.B.2 Change of Coordinator (CO)**

Since the Coordinator plays a vital role in the management and monitoring of the Partnership, such change must be endorsed by all the partners and this endorsement should accompany the letter notifying the change to the Agency.

### **II.B.3 Change of bank account (BA) information**

Change of banking information must be notified to the Agency and accompanied by the Bank Account File (financial identification form) stamped and signed by the bank and the account holder (LR or CO).

### **II.B.4 Change of Coordinating institution (LE) status (e.g. merger)**

The letter notifying the change to the Agency must be accompanied by an official document proving the change of the status of the coordinating institution.

### **II.B.5 Change of Coordinating Institution (LE) data (e.g. denomination, address, phone/fax number)**

Supporting documents have to be attached to the amendment request.

### **II.B.6 Substantial changes to the mobility flows**

The mobility flows must be implemented as agreed in the Agreement – Annex 1 – and must fulfil the minimum requirements specified in the Programme Guide and the Guidelines to the Call for proposals for each specific lot. The substantial changes concern:

- Minimum number of individual mobility flows with the third-country(/ies) of the lot concerned;
- Total number of individual mobility in the concerned lot;
- Mobility threshold defined for Target Group 1 of the lot concerned;
- Mobility threshold regarding the EU and Third Country mobility;
- Distribution range per type of mobility.

Requests for substantial changes to the mobility flows will only be accepted by the Agency in very specific and duly justified cases (*force majeure*).

*"Force Majeure" is an unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations under this agreement, not due to error or negligence on their behalf, and proven to be insurmountable in spite of all diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial difficulties cannot be invoked as Force Majeure from the defaulting parties.*

The request for amendment should be introduced after the mobility of the last cohort of students/staff starts, and at the latest 30 days before the end of eligibility period.

Mobility may not start later than the latest starting dates foreseen in the Agreement for each cohort, except in cases of *force majeure*.

All these changes may lead to a decrease of the EU grant which will be calculated based on the actual mobility implemented and reported at the final report.

## **II.C NOTIFICATION**

The request can be sent by the Coordinator (CO) by letter or e-mail. The Coordinator will receive a reply by e-mail/mobility tool, if necessary.

### **II.C.1 Change of an associated member within the Partnership**

Since the associated members can play an important role in the promotion, implementation, evaluation and sustainable development of the project, such a change must be endorsed by all the partners. This endorsement should accompany the letter notifying the change to the Agency.

### **II.C.2 Change of the Legal Representative data**

The Agency should be notified related to the changes of the Legal Representative data (i.e. address, phone etc).

### **II.C.3 Change of the Coordinator (CO) or partner data**

The Agency should be notified related to the changes of the Coordinator data (i.e. address, phone etc).

### **II.C.4 Minor changes to the mobility flow**

Some minor changes to the mobility scheme might occur during the implementation phase. The EACEA Mobility Tool needs to be updated accordingly, introducing a request to the Agency. The status of the request, if it has been approved or rejected, can be consulted directly accessing the EMT.

Minor changes concern:

- replacement of candidates by others belonging to the same mobility type and included in the corresponding reserve list;
- replacement of candidates by others belonging to a different mobility type and included in the corresponding reserve list. Changes to the allocation by country as foreseen in the application form and changes affecting the distribution range per mobility within the range as defined in the Call need to be reported;
- reduction/ extension of the mobility duration within the limits defined in Article I.2 of the Grant Agreement. These changes can occur throughout the entire eligibility period.

### **II.C.5 Change in deadlines for reports' submission (not related to an extension of the eligibility period) minor than 30 days**

## **II. D SUMMARY TABLE OF MODIFICATION TO AN AGREEMENT**

**Cases A & B:** changes requiring an Amendment to the agreement (by signature of a formal amendment or by an exchange of letters).

**Case C:** changes NOT requiring an Amendment to the agreement.

	<b>A</b> <b>FORMAL AMENDMENT</b> (Amendment)	<b>B</b> <b>EXCHANGE OF LETTERS</b> (Amendment)	<b>C</b> <b>NOTIFICATION</b> (Changes <b>not</b> requiring an Amendment)
<b>MODIFICATIONS</b>	<ol style="list-style-type: none"> <li>1) Change in the composition of the Partnership</li> <li>2) Change of Coordinating Institution</li> <li>3) Change in the period of eligibility</li> <li>4) Change in the deadlines for reports' submission (without extension of eligibility period) &gt; 30 days</li> </ol>	<ol style="list-style-type: none"> <li>1) Change of Legal Representative (LR)</li> <li>2) Change of Co-ordinator (CO)</li> <li>3) Change of bank account (BA) information</li> <li>4) Change of Coordinating Institution (LE) status (e.g. Merger)</li> <li>5) Change of Coordinating Institution (LE) data (e.g. denomination, address, phone/fax number)</li> <li>6) Substantial change to the mobility flow</li> </ol>	<ol style="list-style-type: none"> <li>1) Change of an associated member within the partnership</li> <li>2) Change of LR data (e.g. address, phone/fax number)</li> <li>3) Change of CO or partner data</li> <li>4) Minor changes to the mobility flow</li> <li>5) Change in the deadlines for reports' submission (without extension of eligibility period) &lt;= 30 days</li> </ol>
<b>PROCEDURAL ASPECTS</b>	<p>Request for an amendment by letter, email with supporting documents attached or form, dated and signed/sent by the LR.</p> <p>To be submitted at least 30 calendar days before the end of the period of eligibility.</p>	<p>Request for an amendment by letter, email with supporting documents attached or form, dated and signed/sent by the LR.</p> <p>For 6) above: to be submitted at least 30 calendar days before the end of the period of eligibility;</p> <p>For 1) to 5) above: to be submitted as soon as the change occurs.</p>	<p>Notification by letter or email, by LR or CO.</p> <p>To be submitted as soon as the change occurs / proposed in due time and before the end of the period of eligibility.</p>
<b>EACEA</b>	<p>Acknowledgement of receipt will be sent.</p> <p>The Agency approves or rejects the request for modification in writing within <b>45 calendar days (indicative) after</b> receipt of the request</p> <p>If approved, the Agency sends an official amendment for signature. The amended agreement will enter into force once both legal representatives of the Coordinating Institution (first) and of the Agency (second) have signed it.</p>	<p>Acknowledgement of receipt will be sent.</p> <p>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</p> <p>If approved, the Agency sends an amendment letter. Pending such exchange of letters, changes are not considered as approved by the Agency.</p>	<p>As soon as the Agency receives this information it will update its database. The CO will receive a confirmation by email (with Cc to the LR if the latter has sent the notification).</p> <p>The Agency confirms it has taken note of the (proposed) modification by email within <b>15 calendar days (indicative) after</b> receipt of the notification.</p>

### **III. FINANCIAL MANAGEMENT OF THE GRANT**

The Agency concludes a Grant Agreement with the Beneficiary, in the framework of the annual Calls for proposals relating to the programme (Article I of the Grant Agreement). The duration of each Grant Agreement corresponds to the length of the action proposed by the Partnership and must be in compliance with the provisions of each specific lot as reported in the Guidelines to the Call for proposals.

The Agency determines the EU grant on the basis of the submitted proposal and in accordance with the rules set out in the Call for proposal, Programme Guide, Guidelines to the calls and as reported in Annex II to the Grant Agreement.

The Beneficiary receives the grant amount to cover organisation of mobility and individual scholarships in three pre-financing instalments, in accordance with the payment arrangements laid down in Article I.4 of the Grant Agreement.

The Partnership cannot claim any additional financing. Under no circumstances, changes can lead to an increase of the grant originally reported in the Grant Agreement.

The EU grant awarded can be used to cover the costs incurred for the implementation of eligible activities and is broken down into:

#### *A. Organisation of the mobility*

The part of the grant awarded to cover the costs incurred by the HEIs for the organisation of the mobility will be calculated on the basis of lump-sum amounts. This lump sum amount will correspond to EUR 10 000 per institution within the partnership for the whole project duration up to a maximum of 200.000 € for Strand I and 120.000 € for Strand II.

#### *B. Joint coordination*

A specific part of the grant awarded will be used to cover the costs incurred for joint coordination: this lump sum corresponds to EUR 10 000 and it covers the whole duration of the project.

#### *C. Individual scholarships*

The grant amount allocated for the coverage of these costs will be calculated on the basis of unit-costs detailed in the Programme Guide (version 2011). EU support for individual mobility of students and staff will contribute to cover:

- travel costs;
- subsistence costs;
- insurance costs;
- participation costs for mobile students and staff.

Transfers of funds between the three main items (A, B and C) are not allowed.

### **III.A ORGANISATION OF THE MOBILITY**

The Beneficiary is responsible for managing this lump sum in accordance with the Partnership's arrangements and procedures that must be commonly agreed and stated in the Memorandum of Understanding (MoU). The Agency pays the lump sum to the Beneficiary in one instalment, for the entire duration of the action. It is the responsibility of the Beneficiary to distribute between the partners the amounts according to the agreement stated in the MoU.

Although the Agency does not request any financial justifications for the payments, it needs,

nevertheless, to be informed about the activities for which the lump sum is used.

The Beneficiary and other representative(s) of the Partnership must attend the Erasmus Mundus II coordinators' conference. The expenditures incurred for the events may be covered by the *Organisation of the Mobility* budget heading (Article I.10.3. of the Grant Agreement).

### **III.B JOINT COORDINATION**

The third-country co-coordinating institution must be actively involved in co-ordination and management tasks of the partnership, and - together with the European coordinator - is responsible for the day-to-day coordination and management of the partnership.

The role and the tasks of the third-country coordinating institution – relating to academic, administrative and financial aspects - have to be clearly explained in the periodic reports and detailed in the Final report.

### **III.C MANAGEMENT OF INDIVIDUAL SCHOLARSHIPS**

#### **III.C.1 General Principles**

The Agency pays the scholarship funds to the Beneficiary in two or three instalments in accordance with the payment arrangements laid down in Article I.4 of the Grant Agreement. The Partnership pays the scholarship funds to the scholarship holders in accordance with the arrangements agreed in the Memorandum of Understanding and the following principles:

- The payment of the scholarship must be in line with the provisions detailed in the relevant student agreements;
- The Beneficiary shall be held responsible for any amount paid to ineligible students/staff. To be eligible, students/staff need to comply with the Programmes eligibility criteria as well as with the partnership's specific eligibility/selection criteria;
- The Beneficiary shall be held responsible for any amount overpaid to scholarship holders. 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 student/staff having received an instalment for month “n” whereas they have left the programme in month “n - 1”;
- The regular scholarship payments to the student can only be stopped if the scholarship holder is expelled or released from the University, or leaves on their own demand;
- Scholarships are intended for full-time study (students) and work (staff). However, the programme does not foresee any restrictions for remunerated work outside the scholarship activities, providing that:
  - it is in line with the national legislation of the country(ies) concerned (visa, residence permit);
  - the scholarship holder can still dedicate the necessary efforts to the mandatory activities in order to complete them successfully within the agreed period.
- A scholarship holder may receive additional funding to their study/ research activities providing these are not from other European Union sources/ programmes;
- For doctorates a check on ethic issues should be carried out when selecting them and before the beginning of any research requiring opinions or approvals of relevant ethic committee (s). More information regarding the ethics issues is available under the following link: [http://cordis.europa.eu/pf7/ethics\\_en.html](http://cordis.europa.eu/pf7/ethics_en.html)

- The mobility can be organised in three different cohorts. Because of the timeframe, the mobility of 36 months can only start with the 1st cohort. Staff mobility can start any time within the project duration and must end within the project eligibility period;
- The scholarship payments cannot be used by the Partnership as a "conditionality" mechanism, i.e. to improve performance, ensure presence/ participation, etc.

#### *Travel costs*

- The Partnership will cover the travel expenses for all scholarships holders. The unit cost corresponds to the linear distance between the location of origin and destination and is meant to cover a round trip (for calculation of the distance please refer to: [www.mapcrow.info](http://www.mapcrow.info));
- Depending on the target group, the location of origin can be either be the location of the sending institution (TG1), the place of origin (TG2/TG3) or the place of residence (TG3). The location of destination is always the location of the host institution.

#### *Subsistence costs*

- The subsistence allowance is a monthly allowance for costs of living. It must be paid in full (if paid in a different currency than Euro the amount must correspond to the unit cost defined in Euro in the Programme Guide<sup>1</sup>) to the students and staff concerned on a monthly basis and in duly justified cases the payment periodicity can cover up to a maximum of three months. A part of subsistence costs should be provided upon arrival to cover installation costs and the remaining part must be provided on a regular basis. **Under no circumstances can these amounts be reduced.**
- Monthly subsistence allowance can only be paid as from the month of arrival and covers each full month of the mobility, based on academic grounds. If a portion of a month is more than 15 days a full month allowance is to be paid (for example: for academic reasons the mobility duration is 9 months and 16 days then 10 months allowance should be paid. If the duration is 9 months and 15 days only 9 months allowance should be paid).

#### *Participation costs*

- Participating HEIs must cover the participation costs incurred related to all students/staff independently of the duration of the mobility. The participation costs may cover tuition and/or registration fees, additional library, student unions, laboratory consumable costs, permit residence, language courses costs etc. on an equal basis to that charged to local and international students. **Participating HEIs should apply a fee waiver policy for mobility inferior of 10 months.** Students from partner HEIs (TG1) will continue paying their tuition and/or registration fees in their HEI of origin but the hosting HEI must apply a fee waiver policy. In order to avoid double imposition of fees, in those cases where the hosting HEI requires the payment of the registration/tuition fees the students must not be charged the same fees by the HEIs of origin. Fees cannot be charged to post-doctorate mobility for research purposes. Fees concerning post-doctorate studies shall be justified in detail in the Report(s). If not, they will be considered ineligible.

A unit cost of 3.000 EUR will be granted for mobility of minimum 10 months. This amount could be claimed by the partnership for mobility inferior to 10 months in duly justified cases such as the following:

- due to serious illness of the grantee;
- due to the earlier accomplishment of the academic obligations following the high level of

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<sup>1</sup> The payment of the scholarship to the students/ staff 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 and not by the students.



performance of the grantee.

Partnerships can claim 6.000 EUR for students who have completed a mobility period of minimum 18 months and fulfilled all the academic obligations corresponding to 2 academic years; and 9.000 EUR for a mobility period of more than 27 months and fulfilled all the academic obligations corresponding to 3 academic years.

#### *Insurance costs*

- Each individual participating in the mobility must receive a full insurance coverage in line with Annex VI of the Grant Agreement "Minimum insurance requirements" available on Action 2 beneficiaries space:

[http://eacea.ec.europa.eu/erasmus\\_mundus/beneficiaries/beneficiaries\\_action\\_2\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/beneficiaries/beneficiaries_action_2_en.php)

### **III.C.2 Management of the scholarship funds in case of interruption**

A scholarship can be put on hold if the student has to temporarily leave the host institutions following duly justified and well documented reasons (i.e. illness, etc). In that case, the scholarship payment must be interrupted until she/he has returned to the host institution and can actively participate in the activities. If despite the temporary absence the scholarship holder can catch up on the study/research activities without needing to extend the originally agreed scholarship duration, the monthly allowances corresponding to the period of interruption could be paid to the candidate if agreed among the partners and notified to the Agency.

If the interruption is due to reasons of individual *force majeure*, the absence of the scholarship holder would lead to an extension of the originally agreed eligibility period in order to finalise the mobility concerned. Hence, the coordinator must send to the Agency a duly substantiated request to extend the eligibility period of the Grant Agreement in question. This request will be treated as an official amendment (see Chapter II Article A3).

If the interruption is due to academic reasons, as students (only at master, doctorate and post doctorate level) have to study or carry out research or other activities for a short period at the home country or at other countries which are not the ones of the institutions included in the partnership, the monthly allowance is not paid for this period. In any case, mobility flows for students and staff between the European or between third-country institutions involved in the partnership are not eligible. The interruption can take place only after 6 consecutive months of study at host institutions.

### **III.C.3 Management of the scholarship funds in case of drop-out**

If a scholarship holder decides to withdraw before or during the study period, the Partnership has the possibility to replace her/him from the reserve list and within the deadlines for start mobility of the respective cohort. If such replacement is not possible, the remaining monthly allowance and participation costs could be reallocated to another scholarship holder.

### **III.D PAYMENT OF THE GRANT**

As stated under Article I.4 of the 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.

This **first pre-financing** payment will represent **50%** of the Grant amount.

A second pre-financing payments corresponding to **30%** of the grant will be paid after 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** have been spent and under condition that a technical and financial Progress Report (see Annexes III of the Grant Agreement), together with a complete mobility list (EMT print-out), is or has recently been submitted and accepted by the Agency.

A third pre-financing payment corresponding to **20%** (the remaining part) of the grant will be paid after the reception of the Agency of a formal payment request submitted by the Beneficiary and confirming that **at least 70% of the first and the second pre-financing amount** have been spent and under condition that a technical and financial Progress Report (see Annexes III of the Grant Agreement), together with a complete mobility list (EMT print-out), is or has recently been submitted and accepted by the Agency.

On the basis of the mobility list (EMT print-out), the amount of the 3rd pre-financing may be reduced in accordance with the actual status of mobility implementation. However, if after the 3rd pre-financing the duration of mobility is extended (within the limits specified in Annex II – Flat Rate Tables of the Grant Agreement), the payment of the balance will be made only at the Final Report level on the basis of the final implementation (according to the Article II.14.3 – Payment of the balance of the Grant Agreement).

### **III.E BANK ACCOUNT**

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

- in the name of the Beneficiary (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.

It is recommended that the bank account of the Beneficiary is used exclusively for handling funds of only one project, as, in order to fulfil the obligations, the Beneficiary must at any moment be able to identify dates and figures related to any payment received or made under the grant.

This requirement is necessary for the identification of the interest that has to be recovered and for audit and control purposes (i.e. to enable a reconciliation of accounting records with the actual use of funds).

If an existing account/ sub-account is used, the accounting methods of the Beneficiary must make it possible to comply with the above mentioned requirements.

In the eventuality that the nominated account or sub-account is not denominated in Euro, the Beneficiary, for reporting purposes, shall use the monthly exchange rate established by the Commission and published on its website applicable at the time when the last of the two parties signed the Grant Agreement:

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)

The payment of the scholarship to the students/ staff 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.

### **III.F ACCOUNTING SYSTEM /INTERNAL CONTROL**

The Beneficiary and Partners must set up an adequate accounting system, which must make it

possible to identify the payment made to students and academic staff.

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

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

### **III.G MANAGEMENT OF THE PARTNERSHIP**

Any Partner organisation whose name does not appear in the original application submitted by the Beneficiary 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 not be considered eligible.

The Beneficiary is solely responsible for the relations between Partners, in particular including the dividing up of the grant between the Beneficiary and the other Partners institutions.

## IV. REPORTS

### IV.A GENERAL REMARKS: CONTRACTUAL TIMETABLE

Monitoring of the project implementation is ensured by the reports, by visits and by the consultation of the data recorded in the EACEA Mobility Tool (EACEA MT).

Reporting is a contractual obligation and allows a review and an assessment of:

- quality of activities related to the organisation and implementation of mobility;
- the participation of the selected students and staff in the mobility;
- the correct handling of payment of scholarships to the students and staff.

In order to ensure an efficient monitoring of the partnerships, different type of reports will have to be submitted in accordance with the following timetable:

Event	Deadline
<i>Starting date of eligibility period</i>	<b>15/07/2012</b>
Submission of <b>Minimum Requirements for the Selection Procedure</b> Submission of the lists of selected candidates (EACEA MT)	<b>15 days before 1<sup>st</sup> Mobility starts</b>
Submission of the <b>First Progress Report</b>	<b>01/09/2013</b>
<u>1<sup>st</sup> Cohort</u> Submission of the lists of scholarship holders (EACEA MT) Mobility flow latest start	<b>01/09/2013</b> <b>31/12/2013</b>
<u>2<sup>nd</sup> Cohort</u> Submission of the lists of scholarship holders (EACEA MT) Mobility flow latest start	<b>01/09/2014</b> <b>31/12/2014</b>
<u>3<sup>rd</sup> Cohort</u> Submission of the lists of scholarship holders (EACEA MT) Mobility flow latest start	<b>01/09/2015</b> <b>31/12/2015</b>
Submission of the <b>Second Progress Report</b>	<b>01/02/2014</b>
Submission of the <b>Third Progress Report</b>	<b>01/02/2015</b>
<i>Ending date of the eligibility period</i>	<b>14/07/2016</b>
Submission of the Final Report	<b>14/09/2016</b>

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 action as possible. Coordinators 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.

#### **IV.B FORMAL REQUIREMENTS FOR REPORTS**

For the Agency to be able to assess the reports, the forms in Annex III and IV of the Grant Agreement must be used to submit the reports. All submitted reports must be accompanied by endorsed print outs from the EACEA Mobility Tool guaranteeing the accuracy and completeness of the data contained therein.

Before submitting the report the coordinator must complete the check-list published on the Agency's website. If one of the criteria mentioned in the check-list is not fulfilled the report will be rejected and the coordinating institution will have to submit a new report in maximum 30 days. If the Agency is not able to obtain the report in the correct format, the grant may be revoked, the action cancelled and the Beneficiary required reimbursing the grant already paid to the Agency.

The templates of the reports and of the check-list can be found at the following address:

[http://eacea.ec.europa.eu/erasmus\\_mundus/beneficiaries/beneficiaries\\_action\\_2\\_en.php](http://eacea.ec.europa.eu/erasmus_mundus/beneficiaries/beneficiaries_action_2_en.php)

In any case, before the start of the first mobility the Beneficiary must submit to the Agency the Minimum Requirements for the selection procedures together with a print-out of the EACEA Mobility Tool. Both documents need to be signed by the Coordinator.

#### **IV.C PROGRESS REPORT(S)**

##### ***1<sup>st</sup> Progress Report (Technical)***

This Report must cover the reporting period for the start of the activity to the submission date of the progress report, **1<sup>st</sup> September 2013** at the latest. It has to be accompanied by:

- the Memorandum of Understanding, duly signed by all partners together with other additional documents (model of student agreements, model of learning agreement, model of transcript of records);
- if the mobility has not started by 1<sup>st</sup> September 2013, the " Minimum Requirements for the selection procedures" duly completed and signed by the coordinator on behalf of the partners, with the minutes of the Selection Committee/Board signed by all the participants;
- the endorsed print-outs from the EACEA Mobility Tool, with the information regarding Main, Reserve and non-selected lists.

The Agency aims to evaluate the management of the partnerships, the involvement of the partners and their cooperation within the Partnership, the activities undertaken with the objective of organising an efficient mobility scheme, the respect of principles of transparency, fair and equal treatment in the selection of candidates. Coordinators are requested to provide detailed information on the specific operational aspects linked to the organisation of the individual mobility. In particular the arrangements set up for the visibility of the programme and scholarships opportunities, application procedure and selection of candidates.

##### ***2<sup>nd</sup> and 3<sup>rd</sup> Progress Report(s) - (Technical and Financial)***

The reporting period of the Progress Report covers the period from the date of submission of the previous report and the submission date of the Progress Report in question.

The purpose of the Progress Report(s) is:

- to ensure that the project is being implemented in line with the approved application;
- to ensure that all eligibility criteria have been respected and fulfilled;

- to evaluate the follow-up on the Agency comments and recommendations following the assessment of the previous report (s);
- to ensure that all necessary mechanisms and strategies are in place ensuring not only a smooth running of the partnerships but also with regards to specific long-term objectives of the programme/project such as recognition of studies, quality assurance, measures to prevent brain drain and sustainability of the action;
- to address any unexpected problems that the Partnership has encountered so that action can be taken to encounter solutions in line with the requirements and the objectives of the programme.

In case of patent non-compliance with such high quality standards the Agency may cancel the action and ask for the reimbursement of the grant.

Beneficiaries are reminded that they must not introduce changes to the action which are in conflict with the basic requirements or the quality criteria outlined in call for proposals documentation. Neither must they compromise the smooth functioning of the action. In this context, please read Chapter II of this Administrative and Financial Handbook very carefully, and refer to the model provided.

The Second and the Third Progress Reports will include a financial part. The financial part includes the financial statements of the occurred expenditures and the request for further pre-financing. The analysis of the financial statement will verify that the 70% of the pre-financing payment(s) has been used.

The Progress Report can be submitted before the set deadline, if this percentage has been reached earlier.

Once the Report set out above has been specifically approved by the Agency, the next prefinancing payment can be paid to the Beneficiary, following the provisions of Article I.4 of the Grant Agreement. The subsequent instalment can only be paid if 70% of the previous instalment(s) has been used.

If 70% of the first pre-financing payment had not been used by the reporting deadline, the Beneficiary shall submit its Progress Report nevertheless. The Beneficiary can request the payment of the second instalment at a later stage by submitting a separate further pre-financing request as soon as the expenditure of 70% of the first pre-financing payment has been reached. 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 first instalment and the print-out from the EACEA Mobility Tool, with the up-to-date-information on mobility and scholarships paid. Upon approval of this financial statement, the next pre-financing can be paid to the Beneficiary.

The approval of the Progress Reports and payment of the further pre-financing instalment(s) of the grant, in accordance with the terms of the Grant Agreement, will under no circumstances be considered as indication that the Agency has accepted the expenditure declared in the Progress Reports. Detailed examination of the budget to identify the amount of the final grant will be carried out only at Final Report stage.

## **IV.D FINAL REPORT**

### **IV.D.1 General principles**

The purpose of the Final Report is to evaluate the actual implementation of the action and to close the respective Grant Agreement financially. Therefore, all expenditure related to the action must

have been paid up before the Final Report is submitted.

The Final Report needs to be submitted within two months after the end of the eligible period, according to the ending date stated in Article I.2.2 of the Grant Agreement. Therefore, the reporting period of the report covers the entire period of eligibility of the Grant Agreement.

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

#### **IV.D.2 Technical part: description of the reported action**

This part of the Final Report is intended to provide a detailed picture of how the action was implemented, the overall accomplishments in terms of mobility and programme objectives and possible problems encountered by the partnership during the implementation with the respective actions taken to overcome them.

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

#### **IV.D.3 Financial part: declaration of expenditure**

This part of the Final Report consists of a detailed declaration of the scholarships paid out under the mobility scheme and the expenditures for the organisation of the mobility.

This declaration is based on unit costs per student or staff as described in Annex II to the Grant Agreement and the Final Report form.

Interests gained on pre-financing payments must 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 (payment slips, receipts, bank statements, etc.) do not need to be provided with the Final Report. However, the Agency may ask the Beneficiary for further details and copies of supporting documents. The Beneficiary must supply the information requested within the given deadline. Failure to do so may result in a reduction or even the full recovery of the grant.

#### **IV.D.4 Non-Declaration of generated interest**

In the event that the Beneficiary 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 Beneficiary. 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 Beneficiary in the event of a financial Audit.

#### **IV.D.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 scholarships due to dropout of students), 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.

#### **IV.D.6 Appeals**

If the Beneficiary does not agree with the final grant awarded or the reimbursement claimed by the Agency, then he 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 Beneficiary, 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 he 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 days period or which does not contain the necessary justifications or documentation.

#### **IV.E 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 action 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 action and that it is being managed and implemented in accordance with the rules set out in the Grant Agreement and their annexes.

#### **IV.F LISTS OF INDIVIDUAL MOBILITY FLOWS (EMT PRINT-OUTS)**

The EACEA Mobility Tool (EMT) has been developed in order to monitor scholarship holders' activities, mobility tracks, amounts received etc. The Beneficiary is requested to encode the results coming out from the selection of students and staff; as well as to maintain the information contained therein up-to-date on regular basis.

Print-outs from the Mobility Tool (duly signed by the coordinator) have to be enclosed to each Progress Report and the Final Report, guaranteeing the accuracy and completeness of the data presented.

The EMT and its print-outs must contain all necessary information regarding the individual mobility and the related financial aspects for all the scholarship holders, notably in case of request for further pre-financing.

In case the first mobility of selected students and/or staff starts before the submission of the relevant report to the Agency, the Beneficiary must provide, in accordance with the reporting obligations, the list of scholarship holders concerned by the mobility, printed from the tool.

Changes on the mobility flows will be registered in the tool, according to the procedure described in the section II of this Handbook.



## **V. MONITORING OF THE PROJECT BY THE AGENCY**

### **V.A PURPOSE**

The Agency is responsible for monitoring all the projects that have been successful in securing funds from the Erasmus Mundus programme. The purpose of the monitoring is to provide support for each project, offering guidance and advice that can be integrated by the project team to achieve a successful outcome. The monitoring is also aiming at ensuring that projects are aligned with and fulfilling their stated objectives and continues to merit the public funds that have been allocated to them. Monitoring also allows good practices and lessons learned to be identified so that others may benefit from them.

To carry out the monitoring of each project, the Agency may appoint a member of the Agency staff as a point of contact. This person is responsible for project monitoring on a day-to-day basis and is the channel of communication between the Agency and the coordinator. All important Agency decisions will be communicated in writing and addressed to the contact person or legal representative, depending on the nature of the communication.

### **V.B WHAT KIND OF MONITORING?**

The monitoring may be performed in one or more of the following ways:

- assessment of the work carried out and reported by the project (assessment of the reports);
- consultation of data recorded in the EACEA Mobility Tool;
- visit by Agency representative(s) to a project event or partnership kick-off meeting;
- visit by Agency representative(s) to the premises of the coordinator/partner institution (in situ visit);
- invitation to project representatives to participate in an event organised by the Agency.

Additional project monitoring methods may be developed in response to new needs that arise. If the monitoring requires a visit to your 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.

In the majority of cases, the Agency provides feedback to the contact person after any meeting has taken place.

#### **V.B.1 Visit to a partnership meeting and/or project event**

The Agency may attend a project event or a partnership kick-off meeting as an observer in order to become acquainted with the progress of the project. If the visit is to a partnership meeting, each partner would generally be expected to describe during the meeting their contribution to the project and demonstrate their activities. The Agency representatives may also wish to cover specific areas related to project implementation. In this instance, the Agency may take the opportunity to cover management issues at a separate meeting with the coordinator and other project representatives.

#### **V.B.2 Visit to the Beneficiary/coordinating /partner institution (in situ visit)**

An in situ visit to the Beneficiary/coordinating/ 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 contact person is required to attend and, the Agency may also request the attendance of the person responsible for the financial management of the project.

### **V.B.3 Invitation to an event organised by the Agency**

One meeting per year may be organised by the Agency for contact persons. The participation in this meeting is mandatory. The coordinator may also be invited by the Agency to participate in other meetings and to present the project. The expenses related to the participation in those meetings are considered as eligible costs and should be covered by the project's budget.

## **VI. SUPPORTING DOCUMENTS & AUDITS**

### **VI.A 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 or by any other outside body authorised by the Agency at any time. The European Anti-Fraud Office (OLAF) and the EU 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 Partnership 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 Partnership's financial reports presented for payment are consistent with the Beneficiary's and/or concerned partner's basic accounts and to ensure that EU 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 EU funds. The auditors will be open to any comments and / or suggestions that the Beneficiary and/or the partners may wish to make.

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

### **VI.B DOCUMENTS REQUIRED**

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, travel ticket copy, etc (e.g. for the organisation of mobility, documents proving that such activities have been carried out).

In principle, supporting documents must satisfy the following conditions:

- documents from the Beneficiary and/or partners must be original and dated;
- documents from 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.

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

If the Beneficiary or 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 EU grant.

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

Audit Reports are internal documents and are confidential. However, the Beneficiary or 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.