

EDUCATION, AUDIOVISUAL AND CULTURE EXECUTIVE AGENCY



ERASMUS MUNDUS PROGRAMME

ADMINISTRATIVE AND FINANCIAL HANDBOOK

ACTION 4: ENHANCING ATTRACTIVENESS

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PURPOSE OF THE ADMINISTRATIVE AND FINANCIAL HANDBOOK

The rules outlined in this Handbook apply to grants for Action 4 (“Enhancing Attractiveness”) under the Erasmus Mundus programme. The Handbook forms an annex to the Grant Agreement; consequently, the rules contained in it are contractually enforceable.

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

- help Beneficiaries to run projects efficiently;
- clarify various matters arising from the Grant Agreement and its annexes;
- provide practical information to which Beneficiaries may refer at the various stages of the project;
- provide guidance for Beneficiaries on handling the financial side of projects 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 project.

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

I. DEFINITIONS

Coordinator : any institution or body, private, public or semi-public that on behalf of the partnership, has signed the Grant Agreement with the Agency for the implementation of the project. The Coordinator has the primary legal responsibility towards the Agency for the proper execution of the Grant Agreement. It is also responsible for the day-to-day co-ordination and management of the project and for distributing the Community funds allocated for this project to the other partners.

Partner/cobeneficiary : any institution or body, private, public or semi-public, which is participating in a proposal / project and which has signed a letter by which it undertakes, according to the agreed arrangements with the applicant, to contribute to the implementation of the project.

Contact person: the person within the Coordinator institution, selected among the partners institutions to be responsible for the necessary co-ordination and day-to-day management tasks at the implementation stage.

Legal Representative: the person legally authorised to enter into legal and financial commitments on behalf of the institution to which he / she belongs.

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 Communities.

Irregularity: means an infringement of a provision of Community 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 Communities or budgets managed by it through unjustified expenditure.

Approved Budget: on the basis of the budget submitted by the applicant, the Agency, when assessing and selecting proposals, with the assistance of external experts, deducts any ineligible, unnecessary or excessive items of expenditure and determines the Approved Budget in the light of the project aims and in accordance with the rules on eligibility and financial evaluation as set out in Chapter III of this Handbook. On the basis of the Approved Budget, the Agency determines the Community grant to be provided for the project. This is expressed as a total amount, both in absolute terms and as a Community contribution limited to a maximum of 75% of the approved budget. The grant will be broken down between the following main categories of expenditure:

1. staff costs
2. travel and subsistence
3. equipment and materials
4. subcontracting, consultancy and other external services
5. conferences and seminars
6. other direct costs
7. general (indirect) costs

The Approved Budget forms Annex II to the Grant Agreement between the Agency and the Coordinator and thereby becomes a reference point (subject to any amendments agreed by the Agency) for the financial assessment of the Final Report to be submitted at the end of the project.

II. MODIFICATION OF THE GRANT AGREEMENT

If the smooth running of the project so requires, the Coordinator may have the Grant Agreement amended during its term, subject to the formalities described below.

The Coordinator must send the Agency a written request for such amendments. In order to be considered by the Agency, amendment requests must be submitted in good time before they are due to take effect and **at least 60 calendar days** before the end of the eligibility period detailed in the Grant Agreement. As far as the multiple beneficiaries agreements are concerned, for the changes related to the co-beneficiaries the Coordinator should send a written request stating the reasons of termination of the participation of a co-beneficiary to the Agency 60 days before the end of the eligibility period detailed in the Grant Agreement.

Any request for an amendment must be supported by a detailed justification and full details of the changes sought. Failure to provide such supporting documentation may considerably delay the review process and could lead to a refusal of the request. It should also be noted that if no request for an amendment is submitted where such an amendment was required, it will cause serious difficulties at the stage of assessing the Final Report and in certain circumstances it can result in a reduction of the final grant.

The Agency will examine, in each case, whether or not to approve the requested amendment and will inform the Coordinator of its decision. Approval of requests for an amendment is not automatic and beneficiaries should try to limit, as far as possible, the number of amendments requested during the duration of the Grant Agreement. Amendments will enter into force only once they have been signed by the Agency. Amendments may not have as their purpose or effect to modify fundamentally the content of the Agreement.

A description of the various types of contractual amendments is given below. The purpose of the list of examples below is to inform the Coordinator which modifications need to be supported by an official amendment, which modifications require formal approval by the Agency without amending the agreement and which modifications need to be notified to the Agency without the latter's approval being necessary. Non contractual modifications (e.g. change of contact details, correction of typing errors, etc.) are not considered amendments.

I) Modifications requiring an official amendment

I) 1 CHANGE OF THE PARTICIPATION OF A PARTNER /CO- BENEFICIARIES

The project was approved on the basis of the partnership proposed by the Coordinator in the application

A change in the partnership may involve one of the partners/co-beneficiaries or the Coordinator. 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 partnership may result either from the arrival of an additional partner/co-beneficiary (which may under no circumstances lead to an increase in the grant awarded), the departure of a partner/co-beneficiary or the replacement of one partner/co-beneficiary by another.

These events may substantially modify the work plan, since the departure of one of the partners/co-beneficiaries may affect the collective expertise of the partnership or result in activities being discontinued. In that case, please note that a new work plan should be submitted. This event can eventually modify the eligibility of the project. They can also have consequences in financial terms, in particular as regards the breakdown of the overall budget and grant among partners/co-beneficiaries. In the latter case, please note that a new financial breakdown should be submitted.

The Coordinator should send a written request stating the reasons of termination of the participation of a partner/co-beneficiary to the Agency 60 days before the end of the eligibility period detailed in the Grant Agreement. This request must be accompanied by a proposal of allocation of tasks to other beneficiaries or wherever relevant with the nomination of a new partner/co-beneficiaries. In the latest case a mandate (Annex III) of the Agreement should be included with the request. This applies only to multiple beneficiaries agreements.

It should be stressed that should a partner/co-beneficiary leave the project during the eligibility period, the expenditure incurred by that partner/co-beneficiary for the purposes of the project remains eligible, provided it relates to activities carried out before the partner's/co-beneficiary's departure and that the Coordinator is able to supply the relevant supporting documents.

I) 2 CHANGE OF THE COORDINATOR

A change in the Coordinator involves a change in the legal responsibility under the Agreement (i.e. replacement by another institution). A change of the Coordinator requires an official amendment.

It should be noted that the new Coordinator 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).

If the change of the Coordinator has an impact on the content or the quality of the project, a new and full description of the project and the role of each partner/co-beneficiary must be submitted. This description will be assessed against the eligibility, selection and quality criteria used at application stage. Should the project be judged ineligible or insufficient in quality, the agreement will be terminated.

I) 3 MAJOR CHANGE IN THE WORK PLAN

A major change in the work plan is an important modification and is subject to an official amendment procedure. The request for modification should be submitted before the implementation of the change.

This change may involve, *inter alia*, the discontinuation / cessation of an activity, a change in the medium used, or a change in the structure of a product. The amendment may not have the purpose or the effect of making changes to the Agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.

When submitting the amendment request, the Coordinator should be careful to check whether this change will have any direct impact on other aspects of the Agreement (financial aspects in particular).

I) 4 CHANGE TO THE ESTIMATED BUDGET

Budget transfers between headings of eligible costs that exceed 10% of the amount of each heading for which the transfer is intended (as per Article I.4.4 for the multiple beneficiaries agreement and Article I. 3.4 of the Agreement for Internationalisation of Erasmus Thematic Networks) are subject to a formal amendment. The adjustments may not affect the implementation of the project and may never lead to exceeding the total eligible costs as stipulated in the Approved Budget. The costs of subcontracting may never exceed 30% of the approved budget. When submitting the amendment request, the Coordinator should be careful to check whether this change will have any direct impact on other aspects of the Agreement (work plan in particular).

I) 5 CHANGE OF THE ELIGIBILITY PERIOD

As regards a change in the eligibility period, the following information must be provided:

- the date on which all activities will be completed;
- a new schedule for the activities or work plan.

Any change to the end of the eligibility period automatically results in a change in the deadline for submission of the Final Report: the deadline will be postponed by the same period by which the period of eligibility has been extended.

All requests for modifications requiring an official amendment should be signed in original by the Legal representative of the Coordinator.

II) Modifications requiring a formal approval by the agency

II) 1 CHANGE OF LEGAL REPRESENTATIVE WITHIN THE COORDINATOR

A change of Legal representative within the existing Coordinator organisation can be handled with an exchange of letters. The letter notifying the change to the Agency should be accompanied by an official document confirming the capacity of the new Legal representative to enter into legal/financial commitments on behalf of the Coordinator organisation.

II) 2 CHANGE OF THE CONTACT PERSON OF THE COORDINATOR

A change of contact person within the existing Coordinator can be handled with an exchange of letters between the Coordinator and the Agency. However since the contact person plays a vital role in the management of the project such a change must be endorsed by all partners/co-beneficiaries in the project and this endorsement should accompany the letter notifying the change to the Agency.

The Agency will acknowledge receipt of the notification by the Coordinator and if necessary request further information (e.g. in case of a lacking proof of endorsement by the partners/co-beneficiaries).

II) 3 CHANGE OF BANKING INFORMATION

The request for a change of banking information should be accompanied by the Financial Identification Form stamped in original by the bank and the Coordinator. The change will be notified by the Agency by letter.

II) 4 CHANGE OF THE DEADLINES FOR SUBMISSION OF REPORTS

The deadline for submission of the Final Report is two months after the end of the eligibility period. A moderate prolongation of this two-month period may be requested, if this request can be justified. The change has to be handled with an exchange of written information (e.g. letters, fax, E-mail). The deadline for submitting the Progress Report cannot be changed.

II) 5 MINOR CHANGE IN THE WORK PLAN

This concerns small changes in the work plan (i.e. change of activities dates, venues of activities, substitution with a similar activity, enlargement of target groups participating in one activity) that do not prejudice the project results. The change has to be handled with an exchange of letters.

II) 6 CHANGE IN THE PARTNERSHIP (ONLY FOR INTERNALIZATION OF ERASMUS THEMATIC NETWORKS PROJECTS)

This concerns a change or addition of a partner organisation representing a minor impact to the project (work plan, outputs and results) and without consequences in financial terms, in particular as regards the breakdown of the overall budget and grant among partners. It has to be handled with an exchange of letters.

Without any reaction by the Agency within 15 working days after having received the notification, the above modifications B1-B6 are deemed to be approved.

III) Modifications requiring notification to the agency

III) 1 – TRANSFER BETWEEN BUDGET HEADINGS

The Coordinator may adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment does not affect the implementation of the project and the transfer between headings does not exceed 10% of the amount of each heading for which the transfer is intended (as per Article I.4.4 for the multiple beneficiaries agreement and Article I. 3.4 of the Agreement for Internationalisation of Erasmus Thematic Networks), and without exceeding the total eligible costs, as shown in the Approved Budget. In any case the costs of subcontracting may not exceed 30% of the approved budget.

This concerns changes which are not covered under point A or B here above and which requires only a

notification to the Agency for monitoring purposes. However if these changes are in conflict with the basic requirements or the quality criteria as outlined in the Erasmus Mundus Calls for proposals or they do upset the smooth running of the project the Agency can reject the changes in writing within 15 working days after having received the notification.

All changes must also reported to the Agency in the Progress Reports

IV) Summary table of modification of an agreement

	Type of changes		
A. Official amendment (OA)	<ol style="list-style-type: none"> 1. budget changes exceeding 10 % of a budget heading of the approved budget 2. eligibility period 3. Coordinator organisation 4. work plan (major changes) 5. partnership (changes with major impact) 	<ol style="list-style-type: none"> 1-4 request submitted at good time before it is due to take effect and at least 60 days before the end of eligibility period detailed in the agreement, signed in original by the Legal representative. 5 – request submitted 60 days before the termination of the participation of the Coordinator accompanied by the official documents signed in original by the Legal representative 	Double signature by the Agency and the Coordinator is required
B. Formal approval (FA)	<ol style="list-style-type: none"> 1. legal representative 2. contact person 3. banking information 4. deadline for reports' submission 5. work plan (minor changes) 6. partnership (changes with minor impact) – only for projects concerning the internalisation of Erasmus Thematic Networks 	<ol style="list-style-type: none"> 1-2 request signed in original by the legal representative accompanied by official documents 3 – 6 request submitted at good time before it is due to take effect and at least 60 days before the end of eligibility period detailed in the Agreement signed by the contact person accompanied by the necessary documents. 	Exchange of letters (1, 2, 3, 5, 6) or exchange of letters or another form of exchange of written information (e.g. fax or E-mail) (4)
C. Notification (NT)	<ol style="list-style-type: none"> 1. budget changes remaining within 10% of each budget heading of the approved budget 2. all other modifications not included in AO or FA types of amendment 		The Agency could reject the changes in writing after receipt of the notification

III. ELIGIBLE EXPENDITURE

To know more about the method by which the costs reported in the Final Report are assessed, please refer to Chapter V.iv) of this Handbook.

I) General principles

The coordinator must ensure that:

- costs are reasonable and justified and in accordance with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- all costs must be actually incurred by the partnership and are necessary to perform the project;
- according to Article II.17.4 of the Grant Agreement no Beneficiaries (coordinator or co-beneficiaries) may derive a profit from a grant awarded by the European Community;
- each item of expenditure is only included under one heading of the application form, Progress Report form and Final Report form;

At the end of the project, all expenditure incurred (not just the amount covered by the grant), except for items based on lump sums and any general (indirect) costs (maximum 7% of the total of the direct eligible costs), must be justified by invoices or accounting documents of an equivalent value. The documentary justification for staff costs takes the form of timesheets, salary slips, bank statements, employment contracts, etc. Copies of these documents need not be supplied at Final Report stage, unless specifically requested by the Agency. The original invoices or accounting documents of an equivalent value must be kept for a period of five years from the date of the final payment in case of an ex-post audit (see Chapter VI).

VAT may be included as an item of expenditure if it represents a final cost and is not recoverable under the national VAT system.

II) Eligible costs

Costs incurred by beneficiaries are eligible if they are:

- incurred during the duration of the project, with the exception of costs relating to final reports and certificates on the action's financial statements and underlying accounts;
- directly connected with the subject of the agreement and they are indicated in the estimated overall budget of the project;
- necessary for the implementation of the project which is the subject of the grant;
- identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiaries (Coordinator and co-beneficiaries) and determined according to the applicable accounting standards of the country where the Beneficiaries are established and according to the usual cost-accounting practices of the Beneficiaries;
- in compliance with the requirements of applicable tax and social legislation;
- reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.
- in accordance with the rules set out in this Handbook and the Grant Agreement.

III) Ineligible costs

The following items of costs shall not be eligible and should therefore not be included under any headings in the application form and declaration of expenditure:

- expenditure incurred before or after the period of eligibility for the expenditure indicated in the Grant Agreement;
- costs declared and borne in connection with another project or work programme receiving a Community grant;
- replacement costs of persons involved in the project (i.e. the costs of hiring a replacement for the person working on the project);
- contributions in kind (see Article II.14.5 of the Grant Agreement);
- return on capital;
- debts and the debt service charges;
- provisions for losses or potential future liabilities;
- provisions for liquidation, winding up of business or breaking off a lease;
- provisions for contractual or moral obligations;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the Beneficiaries (coordinator and co-beneficiaries) can show that it is unable to recover it;
- excessive or reckless expenditure;
- entertainment or representation expenses;
- fines, financial penalties and costs of legal proceedings;
- external co-financing involving real estate.

IV) Principles applied to the different categories and types of costs

IV) 1 STAFF COSTS

Staff costs refer to any payment made to a person working on a regular or recurrent basis for the project (regardless of his / her status). Staff costs must be broken down into categories 1 to 4 of the International Standard Classification of Occupations (ISCO). A list of the occupations included in each of these ISCO categories is given in Appendix A of the Handbook.

Staff costs will be calculated on the basis of the actual daily salary / fees of the employee / service provider, multiplied by the number of days to be spent on the project. This calculation may include, if necessary, all the normal charges paid by the employer, such as social security contributions and related costs, but must exclude any bonus, incentive and profit-sharing arrangements or running costs. The applicant should note that the Agency compares the costs set out in the application with the work programme.

Staff costs may not exceed the normal costs for each staff category in the country concerned. In any case, the following maximum amounts apply:

- Staff category 1 (maximum amount 450 € / day)
- Staff category 2 (maximum amount 300 € / day)
- Staff category 3 (maximum amount 250 € / day)
- Staff category 4 (maximum amount 125 € / day)

If it is planned to employ or hire the services of persons, whose costs exceed these maximum amounts, the necessary explanations should be provided when submitting the application.

IV) 2 TRAVEL AND SUBSISTENCE COSTS

These costs are eligible only when they are directly related to the project and concern activities, which must be clearly identifiable.

Travel and subsistence costs for conference or seminar participants or speakers must be recorded in Table 8.B, not in Table 5 of the Application and Final Report form. Travel and subsistence costs for subcontractors must be recorded under Subcontracting costs (Table 7 of the Application and Final Report form).

Travel costs are based on the actual costs incurred. Normal travel insurance costs are also eligible. The most economical fares must be used. Several travel agencies should be contacted in order to obtain the best possible prices.

Rail travel (first class if the participant prefers and if allowed by his / her institution) must be used for journeys of up to 400 kilometres, except in an emergency or where a sea crossing is involved.

For journeys of more than 400 kilometres (or less where a sea crossing is involved or in an emergency), air travel may be used. Special fares must be used as far as possible. Air travel costs exceeding an economy class fare are not allowed.

In the case of travel by car, these costs are eligible, according to the following conditions:

- a) private car or taxi: the amount is limited to the cost of one equivalent first class rail fare (regardless of how many people are travelling in the car);
- b) hire car (class A except where more than two persons are travelling, in which case maximum class B may be used): the actual costs shall be applied (including petrol). However, a hired car may only be used if no other suitable transport is available.

Accommodation and subsistence costs are eligible provided:

- they are indispensable and reasonable taking into consideration the place of stay;
- they are calculated in accordance with the internal regulations of the institution of the person making the journey;
- they do not exceed the maximum amounts per person per day as indicated in the following table (EU countries, candidate countries for the accession to the EU and EEA-EFTA countries):

Country	Daily allowance	Maximum hotel price		Daily allowance	Maximum hotel price
BE Belgium	92	140	IS Iceland	85	160
DK Denmark	120	150	LI Liechtenstein	80	95
DE Germany	93	115	NO Norway	80	140
GR Greece	82	140	BG Bulgaria	58	169
ES Spain	87	125	CZ Czech Republic	75	155
FR France	95	150	EE Estonia	71	110
IE Ireland	104	150	CY Cyprus	93	145
IT Italy	95	135	LV Latvia	66	145
LU Luxembourg	92	145	LT Lithuania	68	115
NL The Netherlands	93	170	HU Hungary	72	150
AT Austria	95	130	MT Malta	90	115
PT Portugal	84	120	PL Poland	72	145
FI Finland	104	140	RO Romania	52	170
SE Sweden	97	160	SI Slovenia	70	110
UK United Kingdom	101	175	SK Slovakia	80	125

For the other countries a lump sum between € 100 and € 300 depending on the cost of living in the respective country can be applied. The Agency reserves the right to verify the costs declared by the Coordinator. If there is no overnight stay, the amounts are reduced by 50%.

Within these limits, the reimbursement of accommodation and subsistence expenses may be made on an actual or fixed cost basis. However, if the internal regulations of the institution of the person making the journey impose a lower limit than the amounts detailed in the above table, the former must be used as a basis of calculation.

IV) 3 EQUIPMENT AND MATERIALS

The costs relating to the acquisition of hardware and equipment, whether by purchase, leasing or rental, are only eligible if strictly necessary for the performance of the project. The choice of leasing, rental or purchasing of hardware or equipment must be based on the least expensive method. Several suppliers must be contacted in order to obtain the most economic terms. If it is decided to opt for rental or leasing, the cost of any buy-out option at the end of the lease or rental period is not eligible.

When the purchase of hardware and equipment is allowed, installation, maintenance and insurance costs may also be included, limited to the proportional use of the equipment for the project. The whole of the costs for the reference period will be considered as eligible, but adapted according to the percentage of use within the scope of the project. When the purchase of hardware or equipment is allowed, expenditure is calculated as follows:

- a) for the purpose of calculating depreciation, hardware and equipment are considered as having a life expectancy of three years, where the purchase price is more than € 1,000;
- b) costs per annum are calculated on the basis of a depreciation factor of 33.33%, but adjusted to the percentage used in the project. For instance, the allowable cost in year 1 for a piece of equipment worth € 10,000, which is used 50% for the project, amounts to € 1,666:

$$10,000 \times 33.33\% \times 50\% = \text{€ } 1,666.$$

In the second year of the project, eligible costs will also be € 1,666 if the percentage use of the hardware or equipment remains the same. If the hardware or equipment is not planned to be used for the project in the second year, then no cost will be eligible (depreciation or otherwise) for that year;

- c) where the total value of the hardware or equipment does not exceed € 1,000, the full purchase value will be allowed as eligible expenditure for the relevant year, adjusted to the percentage use in the project concerned;
- d) depreciation or purchase costs will not be eligible if the hardware or equipment was purchased prior to the start of the eligibility period indicated in the Grant Agreement, except in the case of renewed projects, where the depreciation costs were allowed as eligible expenditure for the previous contractual year.

The cost of materials (e.g. software) need not be depreciated unless it is a requirement of the national law where the relevant partner is based. However, such costs will be adjusted to the percentage use in the project of the material concerned.

IV) 4 COST OF SUBCONTRACTING, CONSULTANCY AND OTHER EXTERNAL SERVICES

Any amount paid to an outside body, which is not part of a member organisation of the partnership and which carries out specific and limited work for the project, must be charged to the heading "Subcontracting costs". This includes work such as translation, interpretation and printing, carried out by bodies outside the partnership organisations. Such expenditure may only be allowed if the staff of the partner institutions do not have the skills required for the performance of the work concerned.

None of the basic activities of the project may be subcontracted, in order not to distort the partnership concept. Thus the Coordinator may not subcontract the entire management and general administration of the project and no partner institution may subcontract the whole or the greater part of the activities which were assigned to it.

If the Coordinator calls on the services of an outside expert (i.e. a person not on the payroll of the organisations involved in the project) as a consultant, the costs are eligible provided that they are strictly necessary for the performance of the project and are reasonable in amount. All the costs directly connected with the consultant must be declared under this budget heading, whatever their nature (for example, travel costs). The costs of an independent consultant working full-time or frequently for the project should normally be registered under Staff costs and not under subcontracting.

The costs of subcontracting may never exceed 30% of the total eligible costs of the project. Any amount

declared in excess of this limit will not be eligible. Translation costs may not be higher than the market prices in the country where the translation is done. The consultant's fees should not normally exceed €400 per day (VAT excluded).

In order to be eligible, the subcontracting must have been fully described in the application. If no subcontracting was foreseen in the application, prior written approval from the Agency needs to be obtained.

In order to conclude subcontracting agreements, the Coordinator shall seek competitive tenders from potential contractors and award the contract to the most economically advantageous bid, i.e. the bid offering the best price / quality ratio. In doing so it shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

When, during the eligibility period, the total amount of the sub-contracted costs (including travel, accommodation and subsistence costs) is between €5000 and 25.000 (VAT or equivalent tax excluded) for a specific type of service (i.e. translations, publications, etc.) provided by a deliverer, the Coordinator or its partners are required to obtain competitive offers from at least three independent providers. If the total cost exceeds €25.000, they are then required to choose between at least five competitive offers. Copies of these offers must be provided at the Agency's request.

The only subcontracting expenditure allowed concerns costs in accordance with the provisions of the subcontracting agreement. Subcontracting agreements must contain at least the following information:

- subject of the subcontracting
- dates of start and end of subcontracting
- amount to be paid
- detailed description of costs
- work schedule or phases
- payment procedures (one or more instalments)
- penalty clause(s) in the event of non-fulfilment of the agreement or delays in the performance of work (if this is feasible or possible).

IV) 5 CONFERENCES AND SEMINARS

Tables 8 of the Application and Final Report form must include all expenditure relating to conferences and seminars. If several events are planned, Tables 8 must be completed for each event.

Table 8.B: the terms of Chapter III.iv).2 apply;

Table 8.C: the maximum eligible rate is 550 €/ day / interpreter. Two interpreters maximum per day and language are eligible (or maximum three interpreters if more than six languages are to be used);

Table 8.D: the number of days should include preparation time where applicable.

IV) 6 OTHER DIRECT COSTS

Other direct costs, not covered by those indicated above, may be allowed, provided they are:

- necessary for the performance of the project;
- reasonable in amount;
- fully documented and clearly itemised;
- not indicated under another category or item of expenditure.

Expenditure types eligible under this heading include:

- bank charges relating to the opening or maintaining of an account established especially for the project, as well as bank transfer costs relating to receipts and payments for eligible expenditure under the project. However, charges relating to establishing or maintaining lines of credit, overdraft or guarantee facilities are not eligible;
- costs incurred in producing, translating and publishing documents. However, these costs may not exceed those that would be normally charged on a commercial basis. They must also be fully supported by invoices showing clearly how the costs have been arrived at;
- internet communication costs in duly justified cases for projects where activities require very intensive use of this type of communication. However, general communication costs for the project should be included in general costs.

IV) 7 GENERAL COSTS

This heading refers to general costs related to project management, but not identifiable as specific costs directly linked to the project, such as:

- communication costs (postage, fax, telephone, mailing, etc.);
- infrastructure costs (rent, electricity, etc.) of the premises where the project is being carried out, in proportion to the use of these premises by the project;
- office supplies;
- photocopies.

General administrative costs must be calculated on the basis of an estimate of the actual costs borne by the partnership for the activities concerned. General costs may not exceed a maximum of **7% of the total of the direct eligible costs** of the project (i.e. of the total of headings 1 to 6 of Table 1 of the Application and Final Report form).

The costs involved in reproducing documents and publishing are included under the budget item "Subcontracting costs" or "Other direct costs", as the case may be. The item "General costs" may not cover staff costs or any other costs already declared for another item.

IV) 8 VAT, CUSTOMS DUTIES AND OTHER TAXES ON GOODS AND SERVICES

The Coordinator must ascertain from the competent national authorities the provisions, rules and legislation governing the taxation of project expenditure in their countries.

VAT cannot, in any case, be charged to the project unless it is a final charge, i.e. a charge that is not deductible and cannot be recovered by the partnership.

Like VAT, other types of taxation, duty or charges related to the project expenditure, which may arise from Community financing, are eligible costs if they are actually and finally borne by the partnership.

iv) 9 Exchange rate

The Coordinator shall submit the payment requests, including the underlying financial statements, in euros. Any conversion of actual costs into euros shall be made by the coordinator at the monthly accounting rate established by the Commission and published on its website (<http://www.ec.europa.eu/budget/inforeuro>) applicable on the day when the payment request is submitted

IV. FINANCIAL MANAGEMENT OF THE PROJECT BY THE COORDINATOR

I) Bank account

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

- in the name of the Coordinator (personal accounts are not acceptable under any circumstances);
- denominated in €, if at all possible;
- specific to the project, where possible;
- in one of the Member States of the EU or an EEA-EFTA country.

Cash withdrawals from the account should be avoided. In cases where it is impossible to avoid cash withdrawals they must be substantiated by receipts. Moreover, the reasons for cash withdrawals should be clearly stated in the Final Report.

Interests gained on pre-financing payments must be declared at Final Report stage and will be deducted from the final payment or added to a possible reimbursement.

II) Accounting system / Internal control

The Coordinator must set up an adequate accounting system, which must make it possible to identify:

- the sources of project funding;
- project expenditure incurred during the eligibility period.

All transactions in the eligibility period relating to actual expenditure / income under the project must be recorded using a numbering system in which the project is given a specific identifiable number.

Although no proof of payment will be required for Staff costs at Final Report stage, the Coordinator shall keep track of the time spent by the staff that have been working on the project by means of timesheets, salary slips, bank statements, employment contracts, etc. identifying the person, his / her function, the time / period spent on the project and the kind of activity carried out. These documents will be needed in case of a more detailed examination of the Final Report and in case of an audit.

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

III) Management of the partnership

Any partner whose name does not appear in the original application submitted by the Coordinator as partner/co-beneficiary or whose participation in the project has not been approved in advance in writing by the Agency will not be recognised as such in the framework of the Grant Agreement, and as a result, all costs relating to such a partner will not be considered eligible.

The Coordinator is solely responsible for the relations between partners/co-beneficiaries, in particular and including the dividing up of the grant between the Coordinator and its partners/co-beneficiaries.

IV) Payment of the grant

Payment arrangements and dates are set out in the Grant Agreement.

The Coordinator is invited to note that if the total of pre-financing payments exceeds € 750,000 per financial year and per agreement or if a balance payment exceeds € 150,000, an external audit report produced by an approved auditor will be requested from the Coordinator, unless it is a public-sector body. The external audit report shall certify the accounts for the last financial year available and give an assessment of the financial viability of the Coordinator.

V. REPORTS

I) General remarks

Reporting is a crucial phase of the project since it allows a review and qualitative and quantitative assessment of:

- the products and results achieved, relative to the aims stated in the application;
- the costs incurred in order to achieve these results, compared with the Approved Budget.

Two and three-year projects have to submit a Progress Report and a Final Report; one-year projects have to submit a Final Report only. The Final Report form and the Progress Report form (if required) can be found in Annex III to the Grant Agreement. Each report form consists of a technical and a financial part both of which need to be filled.

As the Reports are the main monitoring and evaluation tools, they must provide as complete and accurate a picture of the project 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.

II) Formal requirements for Reports

For a Report to be assessed the forms in Annex III to the Grant Agreement must be used. If a Report is not presented in its correct form or is presented in an incomplete way, the Agency may not 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 and the Coordinator is required to reimburse to the Agency the grant already paid.

III) Progress Report (for Agreements with an eligibility period between one and three years)

III) 1 GENERAL REMARKS

The purpose of the Progress Report is to take stock of progress at a particular point and to pinpoint any specific problems that the partnership has encountered so that action can be taken to allow the project's main aims to be achieved as far as possible. The submission deadline of the Progress Report cannot be altered (see Chapter II vi).

III) 2 TECHNICAL PART: DESCRIPTION OF PROJECT ACTIVITIES, PRODUCTS AND RESULTS

This part of the Progress Report is intended to provide a detailed picture of the project and its progress during the period covered by the Report.

III) 3 FINANCIAL PART: DECLARATION OF EXPENDITURE

This part of the Progress Report consists of a general financial statement for the initial period. If the descriptive part of the Report demonstrates that the project is being carried out along the lines of the scheduled timetable, the analysis of the financial statement will consist of checking that 70% of the first pre-financing payment has been used up. The Progress Report cannot be submitted before the set deadline, even if this percentage has been reached earlier, unless all the activities detailed in the work plan for the period covered by the Progress Report have been achieved. The Progress Report must be submitted in due form even if 70% of the first pre-financing payment has not been used up by the set deadline.

Copies of supporting documents need not be supplied with the Progress Report, unless specifically requested by the Agency.

It must be remembered that in the Final Report the Coordinator and its partners/co-beneficiaries will have to give details on the expenses incurred during the **whole** duration of the project.

III) 4 FURTHER PRE-FINANCING PAYMENT

Once the two parts of the Progress Report set out in V.iii).2 and V.iii).3 above, have been specifically approved by the Agency, the next pre-financing payment can be paid to the Coordinator, following the provisions of the Article I.4 of the Grant Agreement. The second instalment can only be paid if 70% of the first instalment has been used up.

If 70% of the first pre-financing payment had not been used up by the time the Coordinator submitted its Progress Report, the Coordinator can request the payment of the second instalment at a later stage by submitting a separate payment request as soon as the utilisation of the first pre-financing payment has reached 70%. This separate payment request must contain a revised version of the general financial statement submitted with the Progress Report so that the Agency can check the level of consumption of the first instalment. Upon approval of this financial statement, the next pre-financing payment can be paid to the Coordinator.

IV) Final Report

IV) 1 GENERAL REMARKS

The purpose of the Final Report is to allow for an overall evaluation of the project. All work must therefore be completed before it is submitted.

IV) 2 TECHNICAL PART: DESCRIPTION OF PROJECT ACTIVITIES, PRODUCTS AND RESULTS

This part of the Final Report is intended to provide a detailed picture of the project, its products and results over the whole duration of the project. It must therefore include all the information detailed in the standard Report form so that a qualitative and quantitative assessment of the project can be made.

A list of the activities including the number of the people involved, schedule and venue should be included in the final report

IV) 3 FINANCIAL PART: DECLARATION OF EXPENDITURE

This part of the Final Report consists of details of the expenditure incurred for the entire project duration. This expenditure will be analysed by the Agency in order to arrive at the final Community grant as is detailed in Chapter V.iv).5 below.

Any conversion of actual costs into euros shall be made at the monthly accounting rate established by the Commission and published on its website (<http://www.ec.europa.eu/budget/inforeuro>) applicable on the day when the payment request is submitted (final report signature)

In the Final Report, the various financial tables form a coherent whole: the figures must therefore be consistent. Before submitting the Report, the Coordinator must check that the entries satisfy this requirement. The supporting documents table should be filled in carefully and the figures in this table should correspond to the ones declared in the final report.

Copies of supporting documents need not be supplied with the Final Report, unless specifically requested by the Agency.

IV) 4 ASSESSMENT

The assessment of the Final Report has direct consequences for the calculation of the final Community grant. The Final Report will be assessed by the Agency, if necessary with the assistance of experts.

IV) 5 CALCULATION OF THE FINAL COMMUNITY GRANT

The Direct costs reported will be assessed by individual budget headings in order to verify if there are any ineligible items (see Chapter III of the Handbook). The ineligible items will be deducted from the amounts declared for the Direct costs in order to arrive at the eligible Direct costs.

In order to calculate the total eligible costs of the project, the amounts declared for General costs (may not

exceed a maximum of 7% of the total of eligible Direct costs of the project), will be added to the amount for the eligible Direct costs.

The total amount paid to the Coordinator by the Agency may not in any circumstances exceed the maximum amount of the grant laid down in Article I.3.3. of the Grant Agreement, even if the total of actual eligible costs exceeds the estimated costs specified in Article I.3.1. of the Grant Agreement.

If the actual eligible costs are lower than the estimated total eligible costs, the Agency's contribution shall be limited to the amount obtained by applying the percentage specified in Article I.3.3. of the Grant Agreement to the actual eligible costs approved by the Agency.

In carrying out a review and analysis of the costs declared in the declaration of expenditure, the Agency may ask the Coordinator for further details, justifications and copies of invoices relating to all or some of the budget headings under Direct costs. Such a request may also occur as a result of a sampling exercise carried out every year on a number of Final Reports. The Coordinator must supply the information requested within 30 days. Failure to do so may result in a reduction or even the cancellation of the grant.

IV) 6 PAYMENT OF THE BALANCE

Once the two parts of the Final Report set out in V.iv).2 and V.iv).3 above have been specifically approved by the Agency, the final balance can be paid to the Coordinator following the provisions of Article I.4 of the Grant Agreement. If the final grant is less than the total of the amounts already received as pre-financing payments, then the Coordinator shall reimburse to the Agency the sums paid in excess. The financial analysis of the Final Report will be explained to the Coordinator in a settlement letter.

Interests gained on pre-financing payments must be declared in the Final Report. They will be deducted from the final payment or added to a possible reimbursement.

IV) 7 APPEALS

If the Coordinator does not agree with the final grant awarded or the reimbursement claimed by the Agency, it may submit an appeal to the Agency. In order to be valid, the appeal must be in writing and sent to the Agency within 60 days of the date of the settlement letter. The Coordinator 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.

V) Additional Progress Reports

In addition to the Reports detailed in this chapter, the Agency may, at any time, request the Coordinator to produce an additional report on the progress of the project to date, covering both its technical and financial aspects. The purpose of these additional reports is to verify that the project is being managed in accordance with the rules set out in the Grant Agreement and the Handbook and to ensure that sufficient progress is being maintained between the official reporting periods.

VI. MONITORING OF THE PROJECT BY THE AGENCY

I) Purpose

The Agency is responsible for monitoring all the projects that have been successful in securing funds from the Erasmus Mundus programme. The main 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. The Agency will not communicate with a third party without the prior written authorisation of the project coordinator.

II) 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 (analyse and assess the reports);
- visit by Agency representative(s) to the premises of the coordinator (in situ visit);
- visit by Agency representative(s) to a project event or partnership meeting;
- 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.

II) 1 VISIT TO THE BENEFICIARY/COORDINATING ORGANISATION (IN SITU VISIT)

An in situ visit to the beneficiary/coordinating organisation can take place at any time during the lifetime of the project. The main objectives of the visit are: to verify the status of the project's implementation and the preparation of its outputs; 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 workplan, project outputs, communications, 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.

The documents which should be made available for the Agency during the in situ visit will be specified by the Agency in advance. These could include, but may not be limited to, the following:

- any results/products available at the time of the visit;
- partner agreements;
- minutes of the partnership meetings;
- documents related to products;
- copies of the money transfers to the partners;
- documents related to financial monitoring (e.g. internal reports);
- subcontracting agreements and invoices.

II) 2 VISIT TO A PARTNERSHIP MEETING AND/OR PROJECT EVENT

The Agency may attend a project event or a partnership 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 and outputs. 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. This would follow the format of the in situ visit described above (section VI.2.).

II) 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 such meetings are considered as eligible costs and should be covered by the project's budget.

VII. DISSEMINATION AND EXPLOITATION OF RESULTS

I) Purpose of dissemination and exploitation activities

Significant emphasis is placed on the impact of EU co-financed projects and on the concrete plans for ensuring that what they produce will be widely known about and widely used. The results generated, the lessons learned and the experience gained by each project team should be made available to the widest possible audience. The primary means of making this happen are the twin activities of dissemination and exploitation, also known together as valorisation. Their key objective is to maximise the impact of project results by optimising their value, strengthening their impact, transferring them to different contexts, integrating them in a sustainable way and using them actively in systems and practices at local, regional, national and European levels. Well-planned and well-executed dissemination and exploitation ensure that project results have a reach beyond those directly involved in the partnership and an impact that is sustained beyond the project's lifetime.

II) What are project results?

Project results are the products, methods, experiences and policy lessons that projects may realise. Broadly speaking, there are five main categories of result of which the first three are direct project results and the second two are indirect project results or programme-level results.

Result Category	Examples
Products	<ul style="list-style-type: none"> • reports and comparative studies; • handbooks and training tools; • promotional materials • guidance material for new approaches and methodologies; • conferences and cultural events; • seminars, debates and symposia; • cd, website.
Methods	<ul style="list-style-type: none"> • increased knowledge of the participants within a certain field and topic; • cooperation processes and methodologies; • managerial lessons learned and know-how; • exchange of ideas and good practice.
Experiences	<ul style="list-style-type: none"> • experience gained by the project partners in the management and undertaking of translational partnerships; • exchange of experience and best practice through the establishment of networks.
Policy	<p>drawn from the overall experience of projects within a programme or from individual projects that are particularly innovative or effective;</p> <ul style="list-style-type: none"> • fed back to inform policy making within the Commission and within member States.
International cooperation	<ul style="list-style-type: none"> • new or extended international partnerships; • translational sharing of experience and best practice; • cross-cultural dialogue and co-operation; • new dialogue and partnerships between EU and non-EU countries.

The different categories of results may require different approaches for dissemination and exploitation. For example, tangible results such as 'products' may be easily demonstrated with actual items, graphical representations and samples whereas intangible results such as 'experiences' may require alternative methods of demonstration such as survey results, interview analysis and accreditation programmes.

III) What are the dissemination and exploitation of results?

The activities of dissemination and exploitation are closely related but distinct from one another. Dissemination can be defined as "a planned process of providing information to key parties on the quality, relevance and effectiveness of the results of programmes and initiatives. It occurs as and when the results become available." Exploitation means "making use of and deriving benefit from (a result)". In the context of project results it primarily involves the two processes of 'mainstreaming' and 'multiplication', where: Mainstreaming is the planned process of transferring the successful results of programmes and initiatives to appropriate decision-makers in regulated local, regional, national or European systems; and multiplication is the planned process of convincing individual end-users to adopt and/or apply the results of programmes and initiatives.

IV) How to plan your dissemination and exploitation

Having a strong plan for dissemination and exploitation from the start of a project is a key priority for an Agency-funded project. It is for this reason that dissemination and exploitation work packages formed a mandatory part of your application package. Creating the plan early on ensures that your intended users and their needs are central to your project from the beginning. In planning these activities, the project team should be addressing the following kind of questions:

- What needs does the project meet?
- What are the expected results?
- Who are the users/interested sectors who will benefit from the project's results?

Time should be spent on establishing who is expected to use the project's results and taking account of their needs. This should include all potential users, not just those from the immediate consortium. Plans should allow for consultation with, and the involvement of, users during the project's lifetime.

The key elements of the plan are:

- The types of dissemination and exploitation activity that will be used – the methods and mechanisms;
- The resources that will be required – people and budget;
- The timetable for the different activities;
- The strategy for extending the activities beyond the project's lifetime.

Once established, the dissemination and exploitation plan should be regularly reviewed and where necessary revised in light of the project's evolution. Any adjustments to the plan should be described in the Progress and Final Reports that you submit. For more detailed guidance on writing a dissemination and exploitation plan please visit the DG EAC website at the following address:
http://ec.europa.eu/dgs/education_culture/valorisation/index_en.html

Amongst other things, this includes 'The EU's 5-stage plan for dissemination and exploitation' along with a dissemination toolkit and suggested mechanisms for both valorisation activities.

Other useful information on this topic you can find in the "Study in Europe" Communication Tool-Kit for European higher education institutions (http://ec.europa.eu/education/programmes/mundus/doc/toolkit_en.pdf).

VI) Recognition of Commission funding and use of EM logo

Project publications and results that are distributed must make reference to the co-financing that the Commission has provided and should incorporate the EM logo. This visibility helps increase awareness of the Erasmus Mundus Programme and helps ensure the continuation and longevity of its operation. The EM logo can be found at: http://eacea.ec.europa.eu/about/logos_en.html

VIII. SUPPORTING DOCUMENTS & AUDITS

I) Purpose

As set out in Article II.19 of the Grant Agreement, an operational and / or financial audit can be carried out on the spot by the Agency, the European Commission, or the Court of Auditors of the European Union, and any person authorised by them, at any time. Such audits may be carried out throughout the lifetime of the Agreement and for a period of five years from the date of the final payment. In such cases, the Coordinator will be notified that an audit will be made.

On receipt of this notification, the Coordinator is advised to ensure that all the original documentation likely to be examined by the auditors is available and, if necessary, contact the project partners/co-beneficiaries in order to collect any documents that may be missing. The audit will cover not only expenditure committed by the Coordinator, but also the costs borne by the whole of the partnership.

The purpose of these audits is twofold:

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

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

II) Documents required

II) 1 GENERAL REMARKS

In case of audits during the project's lifetime, the Coordinator can demonstrate only that the project is proceeding as provided for in the Grant Agreement and that the direct costs prove that it is in progress. In case of ex-post audits, the Coordinator can produce the project results.

In principle, supporting documents must satisfy the following conditions:

- documents from the Coordinator must be **original and dated**;
- documents from the partners/co-beneficiaries must be certified copies of originals. However, the Agency reserves the right to have originals made available to it at any time.

The supporting documents required for each type of cost are described in the following paragraphs.

If the Coordinator cannot provide adequate supporting documents for project-related expenditure or if the supporting documents available do not satisfy the requirements set out in this chapter, the auditors reserve the right to exclude the costs in question from total eligible expenditure.

Proforma invoices will not be accepted, except for expenditure committed and not yet paid, in which case the Coordinator will have to provide proof of payment at a later date. For payments, which have already been made, only final invoices will be accepted and the Coordinator must be able to supply bank statements or other proof of payment.

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

II) 2 STAFF COSTS

Concerning Staff costs, the auditors may request the Coordinator to provide them with timesheets, salary slips, bank statements, employment contracts, etc. of the staff that have been / was working on the project in order to be able to justify the time that has been / was spent on the project.

II) 3 TRAVEL AND SUBSISTENCE COSTS

Travel costs must be justified as follows:

- for train travel: on the basis of original tickets;
- for air travel: on the basis of original tickets or boarding passes;
- for travel in a private vehicle: on the basis of the tariffs agreed at national level;
- for travel in a hired vehicle: on the basis of the invoice;
- for taxi journeys: on the basis of the receipt and an expense form (or equivalent).

Subsistence costs, including accommodation and meals, will be reimbursed on an actual or fixed cost basis and may not exceed either the daily rate per person applied by the institution to which the person travelling belongs, or the maximum daily rate per person specified in the table in Chapter III.iv).2 of the Handbook, whichever is the smaller.

II) 4 EQUIPMENT AND MATERIAL COSTS

In the case of equipment and material costs only actual costs will be covered by the Erasmus Mundus grant. This means that there must be a suitable system for identifying the costs arising from the use of equipment. Invoices for the purchase of hardware and equipment, along with the standard depreciation tables, if applicable, must be available for inspection by the auditors. If hardware or equipment is leased or rented, the Coordinator must produce the lease or rental agreements for verification by the auditors.

II) 5 SUBCONTRACTING COSTS

If the Coordinator and / or the partners in the project use the services of a subcontractor, they must be able to produce the subcontracting agreement concluded with the latter, the invoice(s) paid and any other supporting document connected with the subcontracting costs set out in the Final Report. The Agency reserves the right not to accept all or part of such expenses if they do not satisfy the eligibility requirements set out in the Handbook (see Chapter III).

II) 6 OTHER COSTS

Only actual costs as shown by the corresponding invoices can be charged to the project.

II) 7 GENERAL COSTS

The Coordinator will not be required to produce supporting documents for general costs.

III) Findings and outcome

Audit Reports are internal Agency information and are confidential. However, the Coordinator 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 project;
- Ineligible expenses have been found: these will entail either a reduction of the balance to be paid, or a demand for repayment to the Agency.

STAFF CATEGORIES

According to the International Standard Classification of Occupations
(ISCO-88 (COM))

STAFF CATEGORY 1

- 100 Legislators, senior officials and managers**
- 110 Legislators and senior officials**
- 111 Legislators and senior government officials
- 114 Senior officials of special-interest organisations
- 120 Corporate managers**
- 121 Directors and chief executives
- 122 Production and operation managers
- 123 Other specialist managers
- 130 Managers of small enterprises**
- 131 Managers of small enterprises

STAFF CATEGORY 2

- 200 Professionals**
- 210 Physical, mathematical and engineering science professionals**
- 211 Physicists, chemists and related professionals
- 212 Mathematicians, statisticians and related professionals
- 213 Computing professionals
- 214 Architects, engineers and related professionals
- 220 Life science and health professionals**
- 221 Life science professionals
- 222 Health professionals (except nursing)
- 223 Nursing and midwifery professionals
- 230 Teaching professionals**
- 231 College, university and higher education teaching professionals
- 232 Secondary education teaching professionals
- 233 Primary and pre-primary education teaching professionals
- 234 Special education teaching professionals
- 235 Other teaching professionals
- 240 Other professionals**
- 241 Business professionals
- 242 Legal professionals
- 243 Archivists, librarians and related information professionals
- 244 Social science and related professionals
- 245 Writers and creative or performing artists
- 246 Religious professionals
- 247 Public service administrative professionals

STAFF CATEGORY 3

- 300 Technicians and associate professionals**
- 310 Physical and engineering science associate professionals**
- 311 Physical and engineering science technicians
- 312 Computer associate professionals
- 313 Optical and electronic equipment operators
- 314 Ship and aircraft controllers and technicians
- 315 Safety and quality inspectors

- 320 Life science and health associate professionals**
- 321 Life science technicians and related associate professionals
- 322 Health associate professionals (except nursing)
- 323 Nursing and midwifery associate professionals
- 330 Teaching associate professionals**
- 331 Primary education teaching associate professionals
- 332 Pre-primary education teaching associate professionals
- 333 Special education teaching associate professionals
- 334 Other teaching associate professionals
- 340 Other associate professionals**
- 341 Finance and sales associate professionals
- 342 Business services agents and trade brokers
- 343 Administrative associate professionals
- 344 Customs, tax and related government associate professionals
- 345 Police inspectors and detectives
- 346 Social work associate professionals
- 347 Artistic, entertainment and sports associate professionals

STAFF CATEGORY 4

- 400 Clerks**
 - 410 Office clerks**
 - 411 Secretaries and keyboard-operating clerks
 - 412 Numerical clerks
 - 413 Material-recording and transport clerks
 - 414 Library, mail and related clerks
 - 419 Other office clerks
 - 420 Customer services clerks**
 - 421 Cashiers, tellers and related clerks
 - 422 Client information clerks
-