

SPECIFIC GRANT AGREEMENT NUMBER - «NO\_REF» - EMJD

**Annex V**

**Administrative and Financial Handbook**

SAMPLE

EDUCATION, AUDIOVISUAL AND CULTURE EXECUTIVE AGENCY

**ERASMUS MUNDUS PROGRAMME**

**ADMINISTRATIVE AND FINANCIAL HANDBOOK**

**ACTION 1 : ERASMUS MUNDUS JOINT DOCTORATE  
PROGRAMME**

SAMPLE

Version October 2009

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## PURPOSE OF THE ADMINISTRATIVE AND FINANCIAL HANDBOOK

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

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

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

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

## I. DEFINITIONS

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

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

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

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

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

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

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

**Financial Regulation:** Council Regulation (EC, Euratom) N° 1995/2006 of 13 December 2006 amending Regulation N° 1605/2002 on the Financial regulation applicable to the general budget of the European Communities (OJ L 390/2006 of 30 December 2006); Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007 amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

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

**Irregularity:** means an infringement of a provision of 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.

**Legal Representative:** the person authorised to enter into legal and financial commitments on behalf of the Applicant / Beneficiary organisation.

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

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

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

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

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## II. MODIFICATION OF THE AGREEMENT

If the smooth running of the Joint Doctorate Programme and the fellowship scheme so requires, the Beneficiary has the possibility to introduce certain modifications. Some of these will require a formal amendment of the framework partnership and/or specific grant agreements, others the formal approval by the Agency after an exchange of written information and certain minor modifications only need notification to the Agency. The formalities of the procedures for modification are described below.

Where modifications need a formal amendment of the framework partnership and/or specific grant agreements the Beneficiary must send the Agency a written request for such amendments, dated and signed by its legal representative or the co-ordinator. In order to be considered by the Agency, amendment requests must be submitted at least 30 calendar days before the end of the period of eligibility detailed in the specific grant agreement concerned, except in cases duly substantiated by the partner and accepted by the Agency. Please note that 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, this will cause serious difficulties at the stage of assessing the Progress and Final Report and in certain circumstances 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 Beneficiary of its decision. Approval of requests for an amendment is not automatic and Beneficiaries should try to limit, as far as possible, the number of amendments requested during the duration of the specific grant agreement. The amendment may not have as its purpose or effect to modify fundamentally the content of the specific grant agreement.

The amendment, unless otherwise specified, will enter into force once the legal representatives of the Beneficiary and of the Agency have signed the amended agreement.

The purpose of the list of examples below is to inform the Beneficiary which modifications to an Erasmus Mundus Joint Doctorate Programme need to be supported by an official amendment, which modifications require formal approval by the Agency without amending the agreement(s) and which modifications need to be notified to the Agency without the latter's approval being necessary.

### A. MODIFICATIONS REQUIRING AN OFFICIAL AMENDMENT

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

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

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

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

These events will necessarily have an impact on the content and, maybe, the quality of the Joint Doctorate Programme, since the departure of one of the partners or the arrival of a new partner changes the structure of the Joint Doctorate Programme and will affect its teaching/research content. A change in Consortium will also impact on mobility arrangements. It can also have consequences in financial terms, in particular as regards the distribution of the grant and the fellowships among partners as well as payment modalities.

A change in the Consortium will not be granted in the course of an academic year, as this would seriously upset the smooth functioning of the Course during that year. If a change in Consortium is envisaged for a forthcoming academic year, a new and full description of the Joint Doctorate Programme and the role of each partner institution must be submitted.

This description will be assessed against the eligibility, selection and quality criteria used at application stage, if necessary with the help of external academic experts.

Should the new Consortium be judged ineligible or insufficient in quality, the 5-year framework agreement will be terminated.

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

Except in exceptional circumstances and following due justifications shall a change in partnership be requested at the latest on 15 May of the year preceding the change (i.e. if the partnership change is to take place in year N+1 the request MUST have been submitted by 15/05 of year N).

Although changes of associated members are not considered to be official amendments it must be noted though that the associated member(s) in a Consortium was (were) considered and evaluated as part of the consortia selection criteria. Thus, any change of associated members shall take the form of a formal approval further explained in section B.7

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

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

If the change of the Beneficiary has an impact on the content or the quality of the Joint Doctorate Programme, a new and full description of the Joint Doctorate Programme and the role of each partner institution must be submitted. This description will be assessed against the eligibility, selection and quality criteria used at application stage, if necessary with the help of external academic experts. Should the new Consortium be judged ineligible or insufficient in quality, the 5-year framework partnership agreement will be terminated.

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

Amendments concerning a change in the period of eligibility should be rare as the period of eligibility is linked to the academic year(s) in which the scholarships have to be paid out. Requests to extend the period of eligibility will only be accepted in duly justified cases of force majeure. If it is deemed, after careful scrutiny, that the extension will benefit the ongoing Joint Doctorate Programme and/or fellowship participants a change to the end of the period of eligibility may result in a change in the deadline for submission of the Final Report (i.e. should the requested extension be for a period of more than 2 months the reporting deadline may be postponed by the same period by which the period of eligibility has been extended).

Extension to the eligibility period will, in principle, not be granted if:

- A doctoral candidate's poor performance or prolonged and unjustified absence requires them additional period to catch-up on research activities and/or missed modules.
- A doctoral candidate is absent for medical reasons yet can not provide adequate medical documents neither justifying their absence nor confirming that they are fit to continue their full-time participation in the Joint Doctorate Programme with a view to a successful graduation.

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

### **B.1 Change in the Joint Doctorate Programme**

This type of modification include also major changes concerning the mobility arrangements, linguistic aspects, facilities offered to third-country participants, and participation costs or similar aspects of the Joint Doctorate Programme.

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

However, a selected Joint Doctorate Programme must remain of the highest level of academic and research activities. Therefore, it is logical and desirable that the content of a Joint Doctorate Programme be adapted to recent developments in the field on a regular basis. EMJD consortia are invited to submit these adaptations for approval to the Agency who will send an acknowledgement of receipt. The Agency reserves the right to have the requested changes assessed by external academic experts, if this appears to be appropriate. If the proposed changes undermine the quality of the Joint Doctorate Programme or the basis on which the selection decision has been taken, the Agency is free to reject them.

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

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

The letter notifying the change to the Agency should be accompanied by an official original document confirming the capacity of the new Legal representative to enter into legal / financial commitments on behalf of the beneficiary organisation. The Agency will acknowledge receipt of the notification letter by the Beneficiary and if necessary request further information.

### **B.3 Change of the Co-ordinator of the Beneficiary organisation**

A change of Co-ordinator within the existing Beneficiary organisation is not a formal amendment as such and can be handled with an exchange of letters between the beneficiary and the Agency. However since the co-ordinator plays a vital role in the management and monitoring of the consortia such change must be endorsed by all the partners in the consortium and this endorsement should accompany the letter notifying the change to the Agency.

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

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

Change of banking information must be notified to and formally approved by the Agency. Once approved the Agency shall inform the Beneficiary accordingly via a letter of notification.

### **B.5 Change in the budget**

As the grant consists of a flat-rate amount for the consortium and an amount based on unit costs for doctoral candidate fellowships these cannot be increased nor can a fellowship be awarded to a doctoral candidate for an additional month in order for him / her to "catch up" with his / her studies/research activities. However, in the eventuality that the Consortium is unable to fulfil (following drop-outs or no-show of doctoral candidates) their quota (either in Category A or B), an exceptional transfer of a maximum 20% can be requested to compensate for a possible over-demand in the other Category (either A or B). The 20% ceiling is based on the Category A budget.

### **B.6 Changes in the deadlines for submission of reports**

A prolongation of a one month (30 days) of the deadline for submitting reports may be requested. The prolongation request needs to be duly justified. Without any reaction by the Agency within 15 working days after receipt of the request, the change of the deadline for submission of the Final Report is deemed to be approved.

### **B.7 Change of an associated member within the Consortium**

A change of associated member within the existing Consortium is not an official amendment as such and can be handled with an exchange of letters between the beneficiary and the Agency. However since the associated member may play an important role in the promotion, implementation, evaluation and sustainable development of the EMJD and the Consortium as such, such a change must be endorsed by all the partners in the consortium.

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

**C. MODIFICATIONS REQUIRING NOTIFICATION TO THE AGENCY**

This concerns changes which are not covered under point A or B here above and which requires only a notification to Unit P4 for monitoring purposes.

However, Erasmus Mundus Joint Doctorate Consortia should be very careful to check that such changes are not in conflict with the basic requirements or the quality criteria for Joint Doctorate Programmes as outlined in the *Erasmus Mundus Calls for Proposals* and that they do not upset the smooth functioning of the Course.

All changes must also be reported to the Agency via the reports (see chapter IV).

**D. SUMMARY TABLE OF MODIFICATION OF AN AGREEMENT**

	<b>A</b> Official Amendment (OA)	<b>B</b> Formal Approval (FA)	<b>C</b> Notification (NT)
Type of changes inducing a specific type of amendment	<ol style="list-style-type: none"> <li>1. Composition of the Consortia</li> <li>2. Beneficiary institution</li> <li>3. Period of eligibility</li> </ol>	<ol style="list-style-type: none"> <li>1. Joint Doctorate Programme content</li> <li>2. Legal Representative</li> <li>3. Co-ordinator</li> <li>4. Banking information</li> <li>5. Budget</li> <li>6. Deadlines for Reports' submission</li> <li>7. Associated Member</li> </ol>	All other modifications not included under OA or FA types of amendments
Special conditions	Requests submitted at least <b>30 days before</b> the end of the period of eligibility detailed in the agreement		

### III. FINANCIAL INFORMATION ON AND FINANCIAL MANAGEMENT OF THE GRANT

#### i) General remark

Erasmus Mundus Joint Doctorate Programmes are obliged to participate in the Erasmus Mundus fellowship scheme. Therefore, Community funding for EMJD has two aspects; the flat rate which is awarded with every new specific grant agreement and the doctoral candidate fellowship funds the details of which are explained in the following paragraphs of this chapter of the Handbook.

#### ii) Framework partnership agreement

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

#### iii) Annual specific grant agreements

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

Once an Erasmus Mundus Joint Doctorate Programme has been selected, the Agency examines the grant application for fellowships submitted by the co-ordinating institution of the consortium. The grant application includes the list of doctoral candidates proposed for fellowships in the next Joint Doctorate Programme as well as the budget proposal for the corresponding fellowship funds.

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

The grant will be broken down into:

- An annual flat rate of €50,000 for the consortium offering the Joint Doctorate Programme;
- Fellowship funds for Category A Doctoral candidates
- Fellowship funds for Category B Doctoral candidates

The fellowship funds are further divided as follows:

Category A Doctoral Candidates:

- A fixed contribution to travel, installation and other types of costs. These contributions amount to €7,500 per doctoral candidate.
- Participation costs (maximum 36 months): The Agency contributes €300 /month (up to €10,800) for a non-laboratory based EMJD or €600 /month (up to €21,600) for a laboratory based EMJD. Any amount exceeding this amount should be contributed through other funding options than the Erasmus Mundus fellowship. In the event of no other funding a mandatory justification on how the excess amount will be funded must be submitted.
- Monthly allowance for costs of living (maximum 36 months): €2,800 per month for an employment contract (i.e. up to 100,800) and €1,400 per month for a stipend (i.e. up to €50,400). The maximum contribution may not be exceeded even in the event that the duration of the Joint Doctorate Programme exceeds 36 months.

Category B Doctoral Candidates:

- A fixed contribution to travel, installation and other types of costs. These contributions amount to €3,000 per doctoral candidate if there is a foreseen mobility to Third-Country partners
- Participation costs (maximum 36 months): The Agency contributes €300 /month (up to €10,800) for a non-laboratory based EMJD or €600 /month (up to €21,600) for a laboratory based EMJD. Any amount exceeding this amount should be contributed through other funding options than the Erasmus

Mundus fellowship. In the event of no other funding a mandatory justification on how the excess amount will be funded must be submitted.

- Monthly allowance for costs of living (maximum 36 months): € 2,800 per month for an employment contract (i.e. up to 100,800) and €1,400 per month for a stipend (i.e. up to €50,400). The maximum contribution may not be exceeded even in the event that the duration of the Joint Doctorate Programme exceeds 36 months.

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

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

#### iv) Management of the flat rate

The Agency pays the flat rate of € 50,000 to the co-ordinating institution of the consortium in advance, in accordance with the payment arrangements laid down in Article 4 of the specific grant agreement. The co-ordinating institution is responsible for distributing to each partner institution a portion of the flat-rate according to the rules it had chosen. The consortium does not need to account for the use of the flat rate at reporting stage.

#### v) Management of the fellowship funds

##### v.) a) General principles

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

- The *fixed contribution* to travel, installation and other types of costs for Category A doctoral candidates (€ 7,500 per doctoral candidate) must be paid to them in full in a minimum of two instalments.
- *Participation costs* can be charged directly by the Consortia to the individual doctoral candidates' fellowship amount on a semestrial basis. The amount of participation costs charged to the doctoral candidate must be clearly specified in the Doctoral candidate Agreement which is to be signed between the doctoral candidate and the consortia.
- The *monthly allowance* for living costs (i.e. € 2,800/month for an employment contract and 1,400/month for a stipend) must be paid on a monthly basis to the doctoral candidate's personal account. For employment contracts, the consortium will have to deduct the relevant charges and taxes attached to this type of contract. In that case, this living allowance is a gross Community contribution to the candidate's salary costs. Consequently, the net salary results from deducting all compulsory charges in accordance with national legislation. The host organisation may pay a top-up to the candidates in order to complement this contribution as long as it respects national rules and the eligibility expense criteria of these complementary resources.
- Grantees are free to use their fellowships as they wish;
- Fellowships are intended for full-time study/researchstudy activities

##### v.) b) Management of the fellowship funds in case of dropout / expulsion from the Joint Doctorate Programme

If a doctoral candidate grantee decides to withdraw his/her application before or during his/her study/research period or if he/she is excluded from the Joint Doctorate Programme because of lack of (/insufficient) performance, the Consortium has the possibility to reallocate the remaining *monthly allowance*,

*participation costs* and *fixed contribution costs* to another doctoral candidate under the condition that the latter was included in the approved reserve list. Such replacements must be notified to and approved in advance by the Agency in accordance with section II.B of this Handbook.

If the Consortium cannot find a suitable replacement, it must inform the Agency of the unspent amount (i.e. the remaining parts of the doctoral candidates' *'s monthly allowance, participation costs* and *fixed contribution costs*) in either the Progress Report, the Request for Second Pre-financing but in any case in the Final Report.

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

#### **vi) Payment of the grant**

As stated under Article 4 of the specific grant agreement, a 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 for an Erasmus Mundus Joint Doctorate Programme (EMJD) will represent 70% of the EMJD Grant amount

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

The Agency shall have 90 days to both approve the report and execute the further pre-financing payment or to reject the report/request and ask for additional supporting documents or information. In case of the latter the partner shall have 15 days to submit the additional information requested or 30 days to submit a new report.

#### **vii) Bank account**

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

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

Cash withdrawals from the account must be substantiated by receipts.

Interests gained on pre-financing payments must be declared at Final Report stage and will be either deducted from the final payment (in the event that no second pre-financing request was submitted) or recovered in accordance to the corresponding article of the Framework Partnership Agreement.

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

The payment of the scholarship to the students/scholars 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 as stipulated in Chapter III ) vi of this handbook – Any exchange rate gain/loss is to be managed by the Beneficiary/coordinating institution.

#### **viii) Accounting system / Internal control**

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

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

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

**ix) Management of the Consortium**

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

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

SAMPLE

## IV. TECHNICAL AND FINANCIAL REPORTS

### i) Introduction

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

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

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

In order to ensure an efficient monitoring of the EMJD, different type of reports will have to be submitted during the FPA and SGA duration

- ✓ Progress Report (annex IIIa to the specific grant agreement)
- ✓ Second Pre-financing Request (annex IIIb to the specific grant agreement)
- ✓ Final Report (annex IV to the specific grant agreement)

The date of submission of Reports of the Masters Course follows the following pattern:

- a Progress Report to be submitted on 15 March following the year of signature of the **first two** specific grant agreements;
- Second Pre-financing Requests to be submitted for every specific grant agreement when at least 70% of the first instalment has been spent.
- Final Reports shall be submitted 2 months after the end of the SGA's eligibility period (in principle 15 September).

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

### ii) Formal requirements for reports

For the Agency to be able to assess the reports the forms in the annex to the specific grant agreement (annex IIIa for the Progress Report, annex IIIb for the Second Pre-financing Request, and annex IV for the Final Report) 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, the Joint Doctorate Programme cancelled and the Beneficiary required to reimburse the Agency the grant already paid.

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

### iii) Progress Report

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

The purpose of the "Progress Report" is:

- to ensure that the Joint Doctorate Programme (and Consortium) gets off to a successful start at the beginning of the framework partnership agreement
- to ensure that the Programme is being delivered in line with the approved and accepted application,

- to address immediately any unexpected problems which arise during the phase of the programme implementation
- to ensure that any conditional eligibility criteria have been respected and fulfilled (e.g. signing of a consortium agreement etc.)
- to ensure that all necessary evaluation and quality assurance mechanisms are in place ensuring not only a smooth running of the Joint Doctorate Programme but also the regular evaluation of doctoral candidates and the qualitative content of the programme. In case of patent non-compliance with such high quality standards the Agency may cancel the Joint Doctorate Programme and ask for the reimbursement of the grant.

#### **iv) Request for second pre-financing**

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

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

- an overview of the implementation of the fellowship scheme covered by the Agreement specific activity and its financial point of view, in order for the Agency to check the level of consumption of the first instalment;
- a summary of the activities undertaken since the submission of the last report for all ongoing editions of the EMJD

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

#### **v) Final Report**

##### v.) a) General remarks

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

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

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

##### v.) b) Description of the Joint Doctorate Programme and fellowship scheme for the already concluded academic year(s)

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

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

##### v.) c) Financial part: declaration of expenditure under the fellowship scheme

This part of the Final Report consists of a detailed declaration of the fellowships paid out under the Erasmus Mundus fellowship scheme during the whole duration of the specific grant agreement. This declaration is based on unit costs per grantee as described in annex II to the specific grant agreement and the Final Report form. Interests gained on pre-financing payments must also be declared in the Final Report. In the eventuality that no interest was earned it must be clearly mentioned with an explanation as to why not.

Copies of supporting documents (payment slips, receipts, bank statements, etc.) need not be supplied with the Final Report. However, in carrying out a review and analysis of the figures declared in the declaration of expenditure, the Agency may ask the Beneficiary for further details and copies of the supporting documents.

Such a request may also occur as a result of a sampling exercise carried out every year on a number of Final Reports. The Beneficiary must supply the information requested within 30 days. Failure to do so may result in a reduction or even the cancellation of the grant.

v.) d) Possible reimbursement of part of the grant

The Agency will analyse the declaration of expenditure in order to arrive at the final Community 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.

v.) e) Appeals

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

**vi) Additional Progress Reports**

In addition to the reports detailed in this chapter, the Agency may, at any time, request the Beneficiary to produce an additional report on the progress of the Joint Doctorate Programme and fellowship scheme to date, covering both its technical and financial aspects. The purpose of such an additional report is to verify that high standards of quality are maintained for the Joint Doctorate Programme and that the fellowship scheme is being managed and implemented in accordance with the rules set out in the framework partnership agreement, the specific grant agreement and their annexes.

**vii) Final Summary Report at the end of the five-year period**

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

## V. SUPPORTING DOCUMENTS & AUDITS

### i) Purpose

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

On receipt of this notification, the Beneficiary is advised to ensure that all the original documentation likely to be examined by the auditors is available and, if necessary, contact the partner institutions of the consortium in order to collect any documents that may be missing. The audit will cover the management of the scholarship scheme not only by the Beneficiary, but also by the partner institutions. The audit will not cover the flat rate granted under Action 1.

The purpose of these audits is twofold:

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

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

### ii) Documents required

In principle, supporting documents must satisfy the following conditions:

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

The supporting documents required must prove that the fellowships have been paid out to the selected doctoral candidates and can take the form of salary slips, payment slips, receipts, invoices, proofs of stays, bank statements, etc. Supporting documents for the spending of the annual flat rate need not be provided.

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

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

### iii) Findings and outcome

Audit Reports are internal documents and are confidential. However, the Beneficiary will be informed in writing of the audit findings within a period of four months from the date of when the audit was carried out.

The audit will lead to one of the following results:

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

## VI. EMJD MONITORING

### i) Monitoring Visit

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

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

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

Occasions for monitoring visits:

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

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

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

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

**ii) Annual coordinators conference** – An annual meeting is organised by the Agency for coordinators with the objective to: address transversal aspects of programme management, provide clear information and/or instructions on the next fellowship round (number of fellowships, any new procedural requirements, financial indicators etc.), as well as discuss any other topical matters of integration and cooperation of HEI within and outside of Europe. 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. Expenditure related to this participation is, as stated in the framework partnership agreement, considered to be financed out of the lump-sum payment made to the consortium with each Specific Grant Agreement.