



Tempus

TEMPUS

CARDS projects JEP-18000

TACIS projects JEP-24000

MEDA projects JEP-31000

FREQUENTLY ASKED QUESTIONS

Note: this document concerns only those Tempus JEPs that participated in the Selection round 2003, whose contracts began in September 2004.

The following text is designed to answer the most frequently asked questions which beneficiaries have addressed to the European Commission and the ETF. If you are still unsure after having read the document, please ask the ETF or your National Contact Point or National Tempus Office. A failure to follow the recommended procedures or to respect stated rules will inevitably lead to delays in the processing of reports and eventual related payments.

The order of the questions is structured to follow the Grant Agreement and its annexes.

1. I have been a project contractor/co-ordinator for Tempus for several years. Do contractual rules differ from one selection round to another?

The contract and its related documentation are updated for each contract generation (i.e. for each selection round). The contractual documents are therefore only applicable to the contracts to which they refer. There can indeed be important and significant differences in the contractual rules for different selection rounds. It is therefore strongly advisable for you and your partners to read carefully all contractual documentation **before** starting the project and to refer to it as necessary thereafter. Do not assume that the rules on any particular issue have stayed the same! Check!

2. Are all activities described in the Project Proposal eligible?

No. The Guide for Applicants and the Project Proposal have no contractual value. Therefore, before implementing any activity, please check first that the activities indicated in your Project Proposal are eligible according to the Grant Agreement and the Guidelines for the Use of the Grant. Please refer in particular to Article II.14.4 of the Grant Agreement for the list of ineligible costs, but also to the other Articles of the Grant Agreement and annexes.

3. Must activities and expenditure be carried out and paid during the eligibility period or is there any flexibility?

- Formal commitments of the related expenditure **must** be made **before** the end of the eligibility period (A.5 of the Grant Agreement);
- Invoicing of the related expenditure **may** be made **up to two weeks** after the end of the eligibility period;
- Disbursement/payment of the related expenditure **may** be made **up to four weeks** after the end of the eligibility period.

In all cases, the date mentioned on the proofs of payments of the related expenditure **must** always be within four weeks after the end of the eligibility period.

4. Is it possible to obtain an extension of the eligibility period at the end of the project and, if so, what do I have to do?

Where a request is considered to be duly motivated, an extension of the eligibility period might be granted on an exceptional basis. Delays inherent to the project and in the implementation of the workplan will not be considered as sufficient reasons for an extension of the duration of the eligibility period.

Extensions are, however, in any case granted if the project activities have been suspended (Article II.7 of the Grant Agreement).

The reasons given for a suspension **must** be if circumstances make the implementation of the action impossible or extremely difficult and/or in case of *force majeure* – for example, because of war in a partner country. Please also refer to Article II.7 – Suspension and Article II.8 – Force majeure (General Conditions of the Grant Agreement).

If the suspension is granted, the corresponding extension to the duration of the eligibility period will require a formal amendment to the Grant Agreement, valid as of the date of signature of both parties.

Any request of suspension should be made as soon as possible and, at any rate, no later than two months before the end of the eligibility period.

5. Can new partner institutions join the consortium?

Yes, indeed, during the eligibility period, the consortium can be enlarged. The proposal for enlargement of the consortium should be submitted in due time (a new partner is eligible for funding only after approval by the Commission). In addition, and for obvious reasons, a new consortium member should be included before the final project year.

The proposal should contain a detailed justification of the reasons behind the decision for joining. If applicable, this explanation should include a revised plan of activities and finances. Any effect on the achievement of the objective(s) should be explained in detail.

An enlargement of the consortium will under no circumstances lead to an increase of the maximum grant amount.

Since the extension of the project consortium implies a modification to Annex I of the Grant Agreement – Description of the action, the formal requirements should be strictly observed:

- **An endorsement letter** of the new partner institution **must** be submitted, duly dated, with seal and signed by a person authorised to represent this institution (for example, at a university: the rector, vice-rector or faculty dean; in a business organisation: the managing director) confirming their role in the project.
- Letters from all the current project partners, confirming their agreement to the inclusion of the new institution in the project consortium, must be provided and signed by the contact persons at the institutions (1.1 of Annex V – Guidelines for the Use of the Grant).

6. What do I need to do when a partner institution withdraws?

The following procedure **must** be followed:

- (1) The withdrawing institution in question should send an official letter confirming their withdrawal from the project;
- (2) The grantholder should also confirm the withdrawal in writing;
- (3) A detailed description should be provided indicating the consequences on the project's objective(s), outcomes and activities.

The grantholder **must** send to the Commission all the above-mentioned documents as attachments to the withdrawal request (1.1 of Annex V – Guidelines for the Use of the Grant).

Please take into account that a project consortium which fails to fulfil the minimum requirements of three participating institutions (two from different European Union member states and one from a partner country) will automatically become ineligible and the project could be stopped.

7. Can the grantholding institution of the project be changed?

Yes, but only under the most exceptional circumstances. Changing the grantholding institution is a drastic measure.

The new grantholding institution must explicitly take over responsibility for the implementation of all activities and related budget disbursements, **including those implemented by the previous grantholding institution**. For expenditure made before the change of grantholding institution, the accounts should be reconciled and the available budget should be transferred from the old grantholding institution to the new grantholding institution. Please note that the new grantholding institution will be considered as being solely responsible towards the Commission, even for activities and grant expenses incurred before the change.

The formalities for the change of grantholding institution are similar to the ones mentioned before for the addition of a new partner, but the endorsement letter from the new grantholding institution **must** clearly mention the taking over of the financial responsibility.

8. Can non-consortium members benefit from the Tempus grant?

As a general rule, only the institutions listed in Annex I of the Grant Agreement – Description of the action can benefit from the grant.

Exceptions to this rule are only possible in the case of subcontracting (please refer to Annex V/2 – 3.2 of the Grant Agreement).

Please note that “umbrella” organisations as training target groups in Institution Building JEPs can benefit from the Tempus grant to cover their travel and subsistence costs for the participation in training events. For example, regarding public service, staff from a district office hierarchically subordinated to the Ministry of Interior, the Ministry itself being a partner institution in a JEP project, would be eligible to benefit from the Tempus grant.

9. Can the maximum grant amount mentioned at A.3 of the Grant Agreement be increased when the consortium adds additional partners or plans additional activities?

No, in no case can the maximum grant amount be increased.

The contrary is, however, possible. In particular, the European Commission may reduce the amount of the grant in the following cases:

- Where the costs planned by the consortium are below the amount specified at A.3 of the Grant Agreement;
- Following the assessment of the reports;
- Following the results of audits.

10. What is meant by co-financing?

As laid down in Article I.4, the maximum Community contribution may not exceed 95% of the eligible costs as established on completion of the action. The remaining costs,

equivalent to at least 5% of the total eligible costs, must be financed from sources *other* than the European Community and proof of expenditure must be provided in all cases. These costs are what is meant by co-financing.

11. If at the end of the project the consortium cannot co-finance 5% of the total cost of the project, can a higher contribution from the Commission be asked for?

No! The maximum Commission contribution cannot exceed 95% of the total eligible costs (I.4.3 of the Grant Agreement). Since the total eligible costs include the co-financing, any decrease in co-financing will result in a decrease of the Commission contribution (II.17.3 of the Grant Agreement).

12. Must all consortium members co-finance?

The Grant Agreement does not have any formal obligations as concerns the individual contribution of each institution to the co-financing. In principle the project proposal should lay out the individual contribution of each institution, which of course can be reviewed as the project progresses. A contribution from each institution is however recommended; this contribution can vary according to resources and possibilities.

13. Must /Can an external expert contribute to the co-financing?

External experts can contribute to the co-financing but not necessarily. The reasoning is the same as for the other consortium members.

In order for this co-financing to be considered eligible the Guidelines for the Use of the Grant should be applied (3.2 of Annex V). This principle applies also for individuals, industry/enterprises and institutions from any European Member State or from a Partner Country. In all cases the relevant supporting documentations must be provided (3.5 of Annex V).

14. How and when can I change the planned project activities once the project is under way?

Planned activities can be changed during the implementation of the action. However, please note that the budgetary provisions related to these activities will also need to be taken into account.

As a rule, requests for modifications should be **duly justified** in relation to the project objectives. In other words, an explanation is required as to the effects of the requested changes with regard to the achievement of the project objectives. Requests for modifications should be **detailed**; i.e. information should be provided on the nature and type of activities and the overall added value, on the exact amounts and on the original and recipient budget headings.

Such changes should be introduced either through a prior written request or in the Reports. Once the Commission has approved the prior written request or the Report, that authorisation or the Report has contractual value.

For any request for modifications, please don't wait until the last minute! Such requests take time to be processed. Requests should therefore **be introduced well in advance**.

15. What is the level of flexibility within the budget headings?

Projects may increase, by means of a transfer, the amount of each budget heading set out in Annex II of the Grant Agreement by 10% without prior authorisation, even if the increased amount means that you are exceeding the ceilings laid out in the Guidelines for the Use of the Grant for Staff Costs and Equipment. Even if you are within the ceiling of a given budget headings, you must ask for authorisation if you plan to increase this budget heading by more than 10%.

This amount of 10% will be calculated on the amount that you have spent under each budget heading versus the original amount budgeted for under the headings. Please bear in mind however that whilst there is a level of flexibility in terms of increased budget headings, significant decreases to a given budget heading should be justifiable with regards to the objectives and overall funding of the project.

Please note that, for *Indirect Costs*, the maximum budget should be calculated on the basis of the cost of the action (A.4 of the Grant Agreement) but you should bear in mind that the final calculation of the amount eligible for this heading is determined on the basis of the total eligible costs, of which 7% may be used for Indirect Costs. The total amount of eligible costs could be different than originally budgeted following the assessment of the expenditure reported in the Final Report.

16. When realistically can I expect to receive the grant payments?

Article I.5 of the Grant Agreement defines the basic schedule for the payments of the grant.

The first pre-financing, representing 60% of the maximum grant amount (A.3 of the Grant Agreement), will be paid within 45 days after signature by both parties of the Grant Agreement.

The further pre-financing, representing 30% of the maximum grant amount (A.3 of the Grant Agreement), may not be paid until at least 70% of the first pre-financing has been used up, by this we intend **spent**. The further pre-financing has to be made within 45 days after approval by the Commission of the Request for Payment (Annex V of the Grant Agreement), of the 2nd Report and, if required by Annex I of the Grant Agreement, after provision of a financial guarantee.

The payment of the balance, representing up to 10% of the maximum grant amount, will be paid within 15 days after the approval of the Request for Payment and of the Final Report. A Final Report that is well prepared by the grantholder usually results in a smooth assessment and related payment. In this context, 'well prepared' should be taken to mean that all entries are coherent and that all necessary clarifications, supporting documents and complementary information are provided.

17. How do I pre-finance the balance (up to 10%) of the maximum grant amount?

The payment of the balance, representing up to 10% of the maximum grant amount (A.3 of the Grant Agreement), will only be paid after the approval of the Request for Payment and of the Final Report.

This amount should be considered as an integral part of the grant. Please note that planned activities, including the purchase of equipment, cannot be cancelled on the grounds that the payment of the balance will only be made after all contractual requirements have been met.

In this respect, the following suggestions can be made:

1. The project partners may be able to advance costs incurred for their project participation (i.e. costs related to travelling and subsistence) or might agree to be reimbursed with a delay for their staff costs;
2. Project partners may decide to cover their needs by using the funds planned for indirect costs (Tempus financing), which would then be covered once the payment of the balance is made.

In any case, please be aware that the payment of the balance depends on the outcomes of the assessment of the Final Report.

However, please note that in accordance with Article I.4.3 of the Grant Agreement, the Commission will not cover more than 95% of the eligible costs determined following the assessment of the Final Report.

18. How can I request the further pre-financing and the payment of the balance?

The further pre-financing is asked by the grantholder through the submission of the Request for Payment (Annex V of the Grant Agreement), which must be accompanied by the 2nd Report and, if required by Annex I of the Grant Agreement, a financial guarantee. The payment of the balance is asked through the submission of the Request for Payment (Annex V of the Grant Agreement), which must be accompanied by the Final Report.

19. Of what parts does each report consist?

1st Report:

- Report on the action's implementation (description of the start-up activities, table of achieved/planned outcomes);
- Summary report for publication.

2nd Report:

- Report on the action's implementation (description of the progress of the project's implementation, table of achieved/planned outcomes);
- Summary report for publication;
- Statement on the costs incurred;
- Request for payment

Final Report:

- Final Report on the action implementation (overview of the results and achievements and table of achieved/planned outcomes);

- Summary report for publication;
- Financial statement and all supporting documents;
- Request for payment.

20. How can I request the further pre-financing if I have not spent 70% of the pre-financing by the deadline for the submission of the 2nd Report?

The grantholder is in any case requested to submit the 2nd Report at the latest by the deadline stated in Article I.6 of the Grant Agreement even if 70% of the first pre-financing has not been spent. The grantholder will then be requested to submit, as soon as the required percentage of expenditure (70%) has been reached, an updated version of the 2nd Report. The payment of the further pre-financing will be processed following the approval of the updated version of the 2nd Report. Bearing this in mind, it would be advisable to inform the Commission and the ETF if you foresee that the level of expenditure will not be reached by the report deadline.

21. When do I have to apply the procedure described at article II.9 of the Grant Agreement (Award of Contract)? Grantholders are requested to apply the procedure described at article II.9 (Award of Contract) when purchasing any kind of goods or services in the framework of the Tempus project. The principles of this procedure are to ensure a proper use of the funds, proportionality and for projects to ensure that they are obtaining the goods or services at the best quality/price ratio.

In practice, this means that for goods and services for which the total value of the invoice does not exceed an amount of €10.000, a direct agreement can be made with a supplier. If the total value of the invoice exceeds € 10.000, the grantholder should seek **three offers**. These offers do not necessarily need to be specifically provided but can also be taken from Internet. The grantholder should in this way be able to demonstrate that a market research has been done and that the offer that meets the technical requirements and offers the best value for money has been chosen. The three offers must be provided with the Final Report.

The division of the total value of a purchase (i.e. more than € 10,000) into multiple invoices will not be accepted.

NB. It is not necessary to apply the procedure described at article II.9 of the Grant Agreement when subcontracting external experts for academic tasks or individuals, industry/enterprises or institutions for administrative tasks (please refer to Annex V, point 3.2 of the Guidelines for the Use of the Grant).

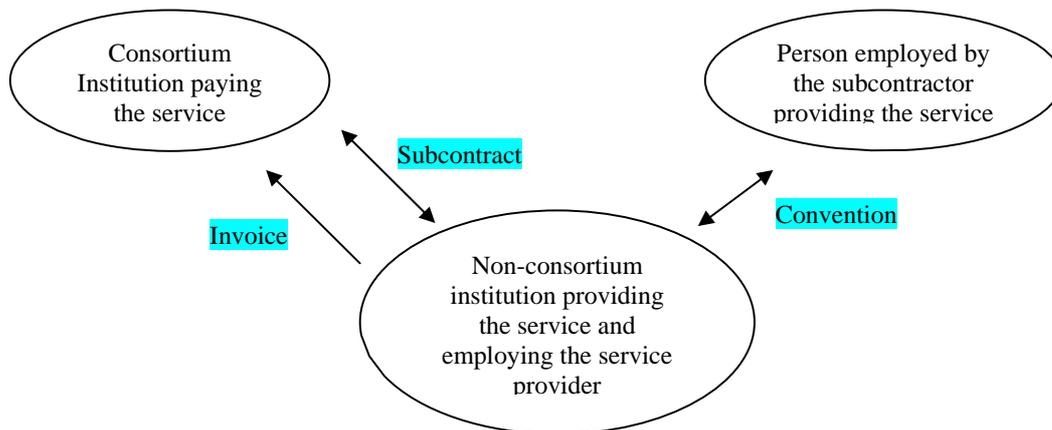
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22. What are the documents that I have to submit following a subcontract with an individual or industry/company or institution which is not a partner of the consortium?

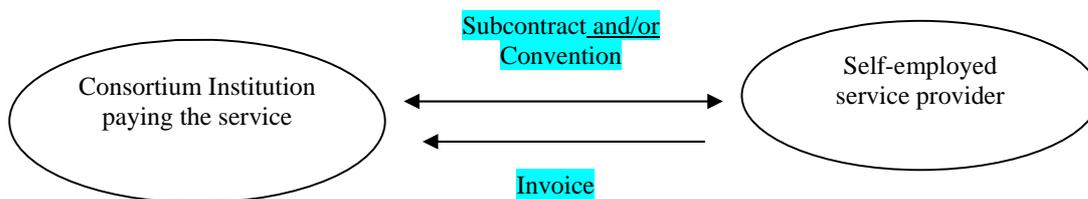
The grantholder should provide a Subcontract, the related invoice and a **Convention** for each person employed, together with the Final Report.

In the case of a subcontracted service provider, one of the following two scenarios may apply, depending on the nature of the service provider:

1. For a subcontract with a **non-partner institution**, the following documents are required: sub-contract and convention, invoice.



2. For a subcontract with a **self employed service provider**, the following documents are required: sub-contract and/or convention, invoice



In the case of subcontracting of self-employed experts who are unable to provide any seal, the seal on the convention form should be provided by the consortium member who subcontracts the self-employed service provider.

When the subcontractor is self-employed, a subcontract can be considered as a sufficient supporting document if it contains the same information as the Convention form. In this case, the submission of a Convention is not necessary. Similarly, a duly filled in Convention form with the proper seal can be considered as a sufficient supporting document. To be acceptable, this Convention form has to carry all the information necessary to be considered as a subcontract. In this case, the submission of a subcontract is not necessary.

A valid subcontract is a document that describes in detail the nature, timing, number of hours for the service provided, the financial agreement, the references of contracting and subcontracting party, the signature by both parties and the date of signature. Obviously, clear reference to the project number should always be made.

In any case, a readable copy of the invoice related to the task performed should always be provided.

23. Can the partners of the consortium pay for activities directly?

Yes. The Grantholder can delegate and transfer funds to the partner institutions which then pay directly for an activity. These institutions should ensure that the Grantholder is provided with original documentation. Should this not be possible, certified copies should be provided to the Grantholder and the original kept at the institution which carried out the transaction. The Grantholder remains nevertheless responsible for the administration of the grant.

24. Are staff costs related to an administrative task that has been carried out by an academic considered as administrative or academic staff costs?

Staff costs are based on the tasks performed rather than on the status of the person carrying them out. In other words, staff costs related to an administrative task that has been carried out by an academic should be charged as administrative tasks.

Administrative staff costs may be charged for tasks related to the administration of a project, such as project management, bookkeeping, accountancy, secretariat.

Academic staff costs may cover the production of content directly related to the project's objective(s) and would include curriculum/training programme development, development and adaptation of teaching/training materials, preparation and teaching of intensive courses or training courses, and so on.

25. What should I consider as a normal salary rate?

Unless updated average salary rates are published on the Tempus website, you should consider as normal any salary rate that has been officially documented to you. You may be asked to provide this official documentation.

Having this documentation will allow you to decide on the rate to charge to the project bearing in mind the budget available and a cost efficient use of the funds.

26. Can replacement costs for European Union staff be financed from the grant?

For the European Union consortium members only, the grant may be used to cover the costs of replacing university teachers who are on a teaching mission (grant for staff mobility) at a partner university in the partner country. The maximum amount available is € 625 per person per week for a minimum uninterrupted period of one month and a maximum of ten months (one academic year). Supporting documentation in this case is a confirmation of engagement from the EU institution needing the replacement for the time involved, together with a duly filled in Convention (Annex V/6) for each replacement member of staff. The Conventions must be signed by the person concerned and signed and sealed by the responsible person in the institution where this person is normally employed.

27. To which budget heading do I have to charge translation costs?

Translation costs are considered as **Staff Costs** and must be allocated to the Staff Costs budget heading if members of the consortium provide the translation activities.

In case of translation activities provided by an external service provider, they should be classified in the ‘**Other Costs**’ budget heading (see Article II.14.2 and 7.1 of Annex V of the Grant Agreement).

28. To which budget heading do I have to charge language courses?

All costs related to the provision by consortium members of language preparation courses for consortium members must be charged as **Staff Costs**.

In case of language preparation activities provided by an external service provider, they should be classified in the **Other Costs** budget heading (see Article II.14.2 and 7.1 of Annex V of the Grant Agreement).

29. Can I invite and pay for a non-consortium member to deliver a training session or to prepare teaching material?

Yes, in accordance with art. 3.2 of the Guidelines for the Use of the Grant, and by way of derogation of article II.9.1 of the Grant Agreement, which deals with **subcontracting**.

Certain project activities may indeed be subcontracted to other parties, which may be either individuals or organisations from any EU Member State or any Partner Country.

Sub-contracting is intended for specific tasks, which cannot be performed by the consortium members such as:

- For academic tasks course development, development and adaptation of teaching materials, teaching assignments, teaching of intensive courses or contributions in project workshops or conferences and so on. Please note that in the case of external experts subcontracted, they should either be listed in Annex I or a prior written request must be made and approved. Please refer to point 3.2 of the Guidelines for the Use of the Grant as far as the documents that should accompany the request are concerned.
- For administrative tasks language preparation and translation. For the other administrative tasks (for example, the administration and co-ordination of project activities and planning of meetings), consortium members are expected to have the administrative resources and skills necessary to administer the project. For example, a subcontracted project manager or accountant would not be considered justifiable.

Institutions that have been excluded from participation in the project, (i.e. via Special Clauses in the Description of the action – Annex I) cannot be subcontracted.

Subcontracting must be done on the basis of a contract, which should reflect all the conditions of the Grant Agreement and should describe the specific task being carried out.

This means in practice that the subcontract should respect the rules on expenditures, activities and administrative procedures defined in the Grant Agreement.

Mobility undertaken by a subcontractor should be charged under ‘Travel costs and costs of stay’ and the task itself under ‘Staff costs’.

30. Is staff mobility between 2 EU Members States represented in the project allowed?

Staff mobility between 2 EU Members States represented in the project is possible for short visits for coordination purposes (please also see question 31 related to the location of coordination meetings).

31. Where can I organise the coordination meetings of the consortium?

The coordination meeting can take place in any city of a Partner Country represented in the project consortium and in any city of the EU Member States bearing in mind a cost-effective use of the funds.

Please note that the country where an expert listed in Annex I is based cannot be considered as a country represented in the project consortium.

32. I am organising a workshop, which includes the mobility and the participation of many participants; do I have to submit a separate Individual Grantholder Report (IGR) for each of the participants?

Project workshops which involve many participants (more than 25) may apply the following reporting procedure: instead of submitting a number of separate IGRs, a report on the objectives and outcomes of the workshop together with a list indicating the name, the allowance paid, and the signature of each participant should be submitted together with the Final Report. The signature of each participant is a proof of his/her participation and of the amount s/he received.

33. Can an American student or professor studying/working in a consortium university participate in Tempus mobility?

Staff and students of non-European Union or non-partner country nationality can benefit from the Tempus mobility grant only if they are following a regular study programme at or are permanent staff of one of the consortium institutions and if they have a resident permit. This should be documented in the Final Report.

The aim of the Tempus programme is to finance activities performed by people permanently working in the European Union and partner countries, thus providing continued returns for these countries after the end of the project. No travel costs will be covered if the departure place is located in another country than the one where they are working and residing.

34. How do I calculate the costs of stay for a staff or student mobility flow that lasts a duration not defined in the Guidelines for the Use of the Grant?

For staff

Where the stay falls in between two durations indicated in the table in Annex V/4, the upper limit will be calculated as follows. The figure for the shorter duration is subtracted from the figure for the longer duration. The resulting figure divided by 7 gives the daily allowance for each day beyond the duration of the shorter stay.

For example: For an international mobility of 17 days: (3 weeks) 2.100 – (2 weeks) 1.600 = 500. Divided by 7 = 71,43.

The costs of stay can be $1.600 + (3 \times 71,43) = \text{€}1814,29$ maximum

The same calculation applies for durations from 2 days up to 6 days but with a division

factor of 6.

For students

The calculation should be proportionate with the monthly amount indicated in the Guidelines for the use of the grant.

For example: Two weeks costs of stay in the EU = $1200/2 = €600$ maximum.

35. Can I avoid paying taxes on the per diems given to staff in mobility?

Some administrative legal systems in the European Union Member States foresee the taxation of the per diems. Unfortunately, in these cases this amount has to be covered by the per diem itself.

36. What do I do if I go on mobility using my own car?

In order to receive reimbursement, the following rules must be respected:

Calculate the total cost of the trip on the basis of documentary proof from a travel agency or a railway station, stating the price of a 1st class train ticket covering the same distance. This documentation must be provided with the Final Report.

Please note that, regardless of the number of passengers, only one reimbursement will be possible from the Tempus grant.

For some of the partner countries, where no extended railway system currently exists, it is possible to apply a fixed rate that covers the distance in kilometres for local transport.

This fixed rate can be provided through a declaration from the local Ministry of Education (or Finance) clearly indicating the rate. This declaration needs to be provided together with the Final Report.

In addition, the National Tempus Offices may be able to help.

37. How do I charge the rent of a coach to the Tempus grant?

The cost of the rent for a coach needs to be divided by the number of travellers.

Each participant includes inside the Individual Grantholder Report (IGR) his/her contribution to the total cost of the coach. In the case of large groups (25+) all IGRs can be substituted by a report including objectives and outcomes of the mobility together with a list of names and allowances received. This report must be signed by all of the participants and submitted with the Final Report together with the invoice for the rent of the coach.

38. Can student institutional costs be considered as co-financing?

Institutional costs, being an eligible cost, can be considered as co-financing. The host institution should demonstrate this by provided a declaration stating that the university has covered the eligible costs incurred as a result of receiving the students from abroad, indicating the name of the student, home institution and the period of the mobility.

NB. Only students benefiting from a travel costs and costs of stay grant paid from the Tempus grant can be considered for institutional costs.

The maximum amounts the hosting university can claim as contribution are:

◇ for a mobility to the European Union, per student :

- ◆ 500 Euro for study periods of three to five months;
- ◆ 1.000 Euro for study periods as of six months to one academic year;

◇ for a mobility to a Partner Country, per student :

- ◆ 200 Euro for study periods of three to five months;
- ◆ 400 Euro for study periods as of six months to one academic year.

Contributions to institutional costs higher than the above mentioned amounts will not be considered eligible.

Institutional costs refer exclusively to the hosting of students: co-financing for covering the costs of hosting staff from abroad is not eligible.

39. Can the Grantholder or any other EU institution receive equipment paid for by the Tempus grant?

Under no circumstances may equipment be purchased for any European Union project partner.

The equipment is intended for the Partner Country higher education institutions involved in the Tempus projects. The institutions that are eligible to receive equipment are indicated with an **asterisk** in Annex I – Description of the action of the Grant Agreement.

40. Who actually owns equipment purchased with a Tempus grant?

The acquired equipment belongs to the institution and not to any individuals who may use it. The acquired equipment must therefore be recorded in the property register (inventory) of the Partner Country institution where it is installed.

41. Is equipment purchased for the Tempus project exempt from VAT?

VAT cannot be charged on equipment funded by Tempus. This is in accordance with all other EU programmes

Each project receives a document, included in the JEP Grant Agreement (Annex VI), which states that acquisition, delivery and installation of equipment is exempt from taxes. This document should normally be sufficient to obtain VAT exemption. However, practice shows that VAT exemption can be difficult to obtain in certain partner countries, even if the European Commission has signed agreements on this with the governments of those partner countries. Where such difficulties are encountered, it is suggested that contractors should ask for the help and advice of the NTO in the partner country concerned. The EU Delegations in the partner countries (where those exist) may also be contacted when problems arise.

Please note that, where VAT exemption cannot be obtained, the VAT amount concerned **must** be funded by other sources, and not by the project.

Taxes on services, printing and publishing are in principle not acceptable either. Tempus participants should try their utmost to avoid incurring ineligible taxation of this sort but, if not otherwise possible, payment of these taxes with Tempus funds might exceptionally be considered. Such consideration will be on a case-by-case basis by the European Commission.

42. Can the amount for VAT be considered as co-financing?

No. The payment of VAT is not eligible for Tempus funding (II.14.4 of the Grant Agreement) and therefore is not eligible for co-financing.

43. Is the exemption of VAT possible for the purchase of equipment through co-financing?

The VAT exemption is being provided because the equipment is being purchased with EU funds, which is not the case for equipment being purchased through co-financing. In the sense the legal basis on which to ask for the exemption (EU directive transformed in national law by each Member State or partner country) is no longer valid if the equipment is purchase with non-EU funds.

44. Can I purchase a portable computer, a notebook or a laptop with a Tempus grant?

Yes on the condition that the portable/laptop/notebook be registered in the inventory of the partner institution and that all safety measures are taken when using it outside the university premises.

45. Can I charge the purchase of shelves, tables and chairs, necessary to carry out educational activities, to the Tempus grant?

No (see Article II.14.4 of the Grant Agreement). Despite the fact that the above-mentioned purchases have a purpose in the provision of education, they are considered as overall university infrastructure and must therefore be borne by the university itself.

The Grant Agreement provides an indicative list of the most commonly purchased eligible equipment items (see 5.1 of Annex V).

46. Can I use the section “other costs” for expenditure that I cannot fit in any other budget heading?

No. Costs that are ineligible under the other budget headings **cannot** be included here! This budget heading includes dissemination of information, inter-project coaching, external translations, external language courses, visa costs and bank charges linked to the transfer of money for payment or between institutions (but not when funds need to be reimbursed to the Commission). Bank guarantee charges when requested by the European Commission may be covered under Other Costs. As regards costs for the organisation of **dissemination events (such as renting or premises if prior authorisation has been given or an advertisement in a newspaper for instance)**, they can be charged in this budget heading. However, staff costs, printing and publishing and mobility costs related to dissemination events should be charged under the respective budget headings.

47. What is inter-project coaching?

Inter-project coaching is an activity, which allows a given project to meet and discuss other Tempus projects working in a similar subject area or having similar objectives. The purpose of these meetings/discussions is to share ideas, discuss complementarity and eventually review activities. Contrary to dissemination activities, all costs related to inter-project coaching should be budgeted under ‘Other costs’ (namely mission costs and eventual fees). The guidelines to follow are those governing the ‘staff costs’ and ‘travel costs and costs of stay’ budget headings laid out in the Guidelines for the Use of the Grant under the respective sections. Supporting documentation in this case will be the same as for all travel costs, costs of stay and staff costs (namely travel tickets, Individual Grantholders Reports, Conventions and eventual invoices).

48. Under what budget heading can costs related to the support of e-based learning systems be budgeted for?

This depends on the type of activity and the objectives of the project. Designing and establishing the website must be covered by ‘Printing and Publishing’. Developing the courses must be covered by ‘Staff costs’ and once the courses are on-line, support to the system and maintenance must also be covered by ‘Staff Costs’.

49. Can I charge exchange losses?

No. Please refer to Art. II.14.4 of the Grant Agreement

50. Can I use bank interests earned by the Grant for the project?

No. Please refer to Art. I.7 of the Grant Agreement.

51. When must I declare bank interests?

In principle a significant amount of bank interest should already be declared with the Second Report (IR2). Considering that there is no common definition of the term “significant” in the case of bank interests, projects are advised to declare this amount in their Last Report, at which stage it will be covering the interests gained over the complete duration of the project. **52. Which exchange rate system do I have to apply when reporting transactions paid with currencies other than € in the Financial Statement to be submitted with the Final Report ?**

The exchange rate from € into another currency, to be used in order to complete the Financial Statement, is the official rate of the European Central Bank published daily at <http://www.ecb.int> (“*daily euro foreign exchange reference rates*”) or alternatively the rate published on the European Union Commission website <http://europa.eu.int/comm/budget/inforeuro>. The exchange rate to apply is the one of the day in which payments/transactions have taken place.

53. Can the consortium co-finance under any budget heading?

No. The consortium can co-finance under any budget heading **except Indirect Costs**. In accordance with Article I.4.1 supporting documentation must be provided for all co-financing declared. Indirect Costs are by definition costs for which no supporting documents need to be provided and therefore cannot be co-financed.

54. What is considered as a contribution in kind?

Contributions in kind are input to the project which are not the result of a financial transaction. Example: use of existing facilities (equipment, conference rooms, available teaching material), owned copyrights, unremunerated working hours and/or voluntary work. Please bear in mind that whilst the consortium can provide contributions in kind, these shall not count as actual expenditure, shall not constitute eligible costs and if they are provided for and set out in Annex I and/or in the estimated budget in order to contribute to the proper implementation of the action, the grantholder undertakes to obtain them as provided for in the agreement (II.14.5 of the Grant Agreement).

55. Does the consortium have to co-finance 5% of every budget heading?

No, the consortium can choose to co-finance any budget heading other than Indirect Costs and so long as the total co-financing amounts to at least 5% of the total eligible costs of the project.

56. Can the consortium cover eventual ineligible costs with the co-financing?

No! To be considered valid for co-financing, any declared expenditure supported by the consortium members must satisfy the criteria laid out in articles II.14.1 and II.14.2.

57. Do the thresholds on Staff costs and Equipment apply to the total cost of the project, or just to the Tempus contribution?

The thresholds to be respected are calculated on the basis of the total cost (100%) of the project = A4 of the Grant Agreement.

58. Can the cost of a financial guarantee be considered as co-financing?

The cost of a financial guarantee, when requested by the European Commission in the special clauses of the Grant Agreement, constitutes an eligible cost for Tempus funding and as such can be co-financed.

59. Must funds covering the co-financing transit through the project bank account?

Funds covering co-financing do not have to transit through the project bank account although this would be recommended, for an easier identification of expenditure and transparency, to transit the funds covering the total costs of the action through the project bank account.