



Tempus

TEMPUS

CARDS projects JEP-40000

TACIS projects JEP-26000

MEDA projects JEP-33000

FREQUENTLY ASKED QUESTIONS

Note: this document concerns only those Tempus JEPs that participated in the Selection round 2005, whose contracts began in September 2006.

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 application eligible?

No. The Guide for Applicants and the Project application 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.

In addition, please note that the terms set out in the Special Conditions of the Grant Agreement take precedence over those in the other parts of the agreement and the terms of the General Conditions take precedence over those in the 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 (contract, order,...) **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 action 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 and corresponding extension should be made as soon as possible and, at any rate, no later than two months before the end of the eligibility period.

5. What are the roles of the beneficiaries of the grant?

The roles of the grant holder and the consortium members are laid out under Article I.3 of the Grant Agreement. The grant holder has, amongst other obligations, full responsibility for ensuring that the action is carried out and is the intermediary for communication between the consortium and the Commission. The consortium members however shall agree upon appropriate arrangements between themselves for the proper performance of the action and will conclude internal co-operation agreements regarding their internal operation and coordination. The consortium members also have a series of obligations which are listed in Article I.3.

6. Who of the consortium members is responsible for the management of the action and in terms of liability and financial responsibility?

According to Art. I.3.2, all consortium members are deemed to have concluded an internal agreement regarding their co-operation and co-ordination which should cover all aspects necessary for the management and the implementation of the action.

On the basis of the agreement and of the Mandates to be signed by all partners (Annex VII of the Grant Agreement) the grant holder shall act as official intermediary for all communication with the European Commission and shall have full responsibility for ensuring the correct implementation of the action. Unless stated explicitly otherwise in the agreement all requests by the European Commission shall thus be addressed to, and answered by the grant holder.

All beneficiaries remain however fully responsible for ensuring that all relevant information and data can be provided to the Commission via the grant holder and have to provide the grant holder with all the necessary documents in due time.

According to Art. II.18 the beneficiaries also remain jointly and irrevocably responsible for any amount due to the European Commission by one of them which could not be honoured by the latter except for financial penalties imposed on one or several other partner(s).

7. Do I need to publicise my Tempus project?

Yes, from now on you must clearly acknowledge the contribution of the Tempus Programme at all stages during the life time of your project. Indeed, the Grant Agreement at Articles I;12.1 and II.5 stipulates that "the grant holder shall take the necessary steps to ensure that the financial contribution of the EU is given adequate publicity."

These steps must follow the rules applicable to the visibility of EC education and culture programmes as defined and published on the following website:

http://ec.europa.eu/education/programmes/tempus/manage_en.html

Tempus visibility rules are easy to follow and the Coordinators of the National Tempus Offices can give you useful tips and advice on how to enhance your action's visibility.

8. 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 (Art. 1. of Annex V – Guidelines for the use of the grant).

All above mentioned documents should be forwarded by the Grant Holder Institution with the request.

9. 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 grant holder 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 grant holder **must** send to the Commission all the above-mentioned documents as attachments to the withdrawal request (Art. 1. of Annex V – Guidelines for the use of the grant).

Please take into account that a project consortium **must** include at least one university from each Partner Country involved in the project, at least one university in one European Community Member State, and one consortium member (university, institution or industry/company) in a different Member State. Consortia which fail to fulfil this minimum requirement will automatically become ineligible and the project could be stopped.

10. Can the grant holding institution of the project be changed?

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

The new grant holding institution must explicitly take over responsibility for the implementation of all activities and related budget disbursements, **including those implemented by the previous grant holding institution**. For expenditure made before the change of grant holding institution, the accounts should be reconciled and the available budget should be transferred from the old grant holding institution to the new grant holding institution. Please note that the new grant holding 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 grant holding institution are similar to the ones mentioned before for the addition of a new partner, but the endorsement letter from the new grant holding institution **must** clearly mention the taking over of the financial responsibility.

11. Can the contact person at the grant holding institution be changed?

Yes, the contact person can change. Any change requires a written confirmation signed by the new contact person, the former contact person and the legal representative of the grant holding institution (see Article 1. of Annex V. Guidelines for the use of the grant).

12. 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 and list of consortium members can benefit from the grant.

Exceptions to this rule are only possible in the case of subcontracting (please refer to Art. I.12.5 and II.9 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.

13. 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;
- Where 5% of the total Tempus grant has not been co-financed, since the EC grant can cover no more than 95% of the total eligible costs of the project;
- Where a profit has been made since the EC grant cannot exceed the amount necessary to balance the action's receipts and expenditure.
- Following the assessment of the reports;
- Following the results of audits.

14. 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 staff or facilities (staff, equipment, available teaching material), owned copyrights, unremunerated working hours and/or voluntary work.

Contributions in kind shall not constitute eligible costs (see article II.14.4). However, the Commission can accept, in duly substantiated exceptional cases, that the co-financing of the action referred to in Article I.4.3 should be made up entirely or in part of contributions in kind. You will be asked to demonstrate the costs actually borne and duly support these costs with the accounting documents of the third parties who made these contributions free of charge or the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne. Contributions involving buildings (infrastructure and use of facilities) are not covered by this possibility.

15. What is meant by co-financing?

As laid down in Article I.4.3., 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 and identified in the estimated budget of the action under Annex II as VII "Project expenditure of the beneficiaries", 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.

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

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

17. 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.

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

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 costs for which no supporting documents need to be provided and therefore cannot be co-financed.

19. 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.

20. 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.14.1-2-3 and 4.

21. 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 (Art. 3 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 (Art. 2 of Annex V).

22. 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. No oral agreement may bind the parties to this effect.

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**.

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

Staff costs and equipment may not exceed 30% of the maximum grant amount estimated at point A.3 of the agreement. Co-financing under these headings is not subject to the above mentioned limits.

The total expenses for indirect costs may not exceed 7% of the maximum grant amount estimated at point A.3 of the agreement. Co-financing is not permitted under this heading.

The thresholds to be respected are calculated on the basis of the Tempus maximum grant amount of the project = A3 of the Grant Agreement.

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

According to Art. I.4.4, 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. **Although no prior authorisation by the Commission is required for transfers of up to 10%, you have to inform the Commission in writing when submitting your request for the 2nd pre-financing about all transfers undertaken.**

If you plan to increase one or more **budget headings by more than 10%, prior written authorisation by the Commission is required**. Even if you are within the ceiling of a given budget heading, you must ask for authorisation if you plan to increase this budget heading by more than 10%. This increase of more than 10% shall be subject of a supplementary agreement (please refer to Art. II.13).

This amount of 10% will be calculated on the amount that you have spent under each budget heading excluding co-financing versus the original amount budgeted for under the headings excluding co-financing.

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.

25. When can I expect to receive the grant payments?

Article I.5 of the Grant Agreement defines the general timing 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 or if required in Annex I, upon receipt of a financial guarantee provided by

the grant holding institution of an amount equivalent to the amount of pre-financing granted.

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 **spent** (disbursed).

The payment of the balance, representing up to 10% of the maximum grant amount, will be paid within 45 days after the approval of the final technical implementation report accompanied by a Request for Payment.

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

The further pre-financing is asked by the grant holder through the submission of the Request for Payment (Annex V/III of the Grant Agreement), which must be accompanied by a detailed statement of the eligible costs actually incurred following the structure of the estimated budget and, if required by Annex I of the Grant Agreement, a financial guarantee. No supporting documents are required at this stage. This further pre-financing shall be paid within 45 days after receipt by the Commission of the above mentioned documents.

The payment of the balance is asked by the grant holder through the submission of the Request for Payment of the balance (Annex V/III of the Grant Agreement), which must be accompanied by the final technical and implementation report, composed of: a final report on the implementation of the action, a summary report for publication, a financial statement of the eligible costs actually incurred following the structure of the estimated budget, a full summary statement of the receipts and expenditure of the action.

All supporting documents of the costs incurred (including co-financing) should be submitted at this stage (see Annex V of the Grant agreement).

Before approving the final technical Implementation Report, the Commission can also request additional supporting documents or information. In that case, the grant holder shall have 30 days to submit the additional information or a new report.

A final technical implementation report that is well prepared by the grant holder usually results in a smooth assessment and related payment. In this context, 'well prepared' stands for a complete one with all entries filled in coherently and providing qualitative and quantitative indicators as well as all necessary supporting documents and complementary information.

27. 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 final technical implementation report and the request for payment of the balance accompanied by the documents specified in Article II.15.4..

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 technical implementation 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 technical implementation report.

28. How many reports should be submitted and what do they consist of?

In total, 3 reports should be submitted; 2 during the lifetime of the project and 1 after the end.

1st Report:

- Report on the action's implementation IR1 (description of the start-up activities, table of achieved/planned outcomes);
- Summary report for publication.

2nd Report:

- Report on the action's implementation IR2 (description of the progress of the project's implementation, table of achieved/planned outcomes);
- Summary report for publication;

3rd and final Report:

- Final Report on the action implementation IR3 (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 (Annex V/III of the Grant Agreement).

And in addition to the three reports, do not forget the 2nd pre-financing, which consists of:

- Statement on the costs incurred;
- Request for payment (Annex V/III of the Grant Agreement)

Submission deadlines are indicated under Annex III of the Grant agreement.

29. Do I have to submit the 2nd report on the action's implementation (IR2) or the final technical implementation report (IR3) even if I have not spent 70% of the pre-financing by the deadlines for the submission of these reports?

Yes, the timely submission of all reports is required even if the spending level of 70% of the first pre-financing has not been reached yet.

It is on the basis of the information and supporting documentation provided in the final technical implementation report that your project expenditure will be checked.

30. When do I have to apply the procedure described in article II.9 of the Grant Agreement (Award of Contract)?

Grant holders are requested to apply the procedure described in 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 themselves to ensure that they are obtaining the goods or services at the best quality/price ratio.

According to Article I.12.5, the beneficiaries shall only seek competitive tenders if the amount to be contracted out exceeds the threshold of € 10.000. These offers do not necessarily need to be specifically provided by a provider but can also be taken from Internet. The grant holder 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 competitive offers must be provided with the final technical implementation report.

The beneficiaries may not split the purchase of equipment or of services into smaller contracts below the threshold. 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.

NB. It is not necessary to apply the procedure described in article II.9 of the Grant Agreement when subcontracting external experts for administrative and academic tasks or individuals, industry/enterprises or institutions from any European Union Member state or from a partner country (please refer to Article I.12.5 of the Grant Agreement).

Please, remember that the contracts referred to Article II.9.1 may be awarded only in the cases mentioned under this Article.

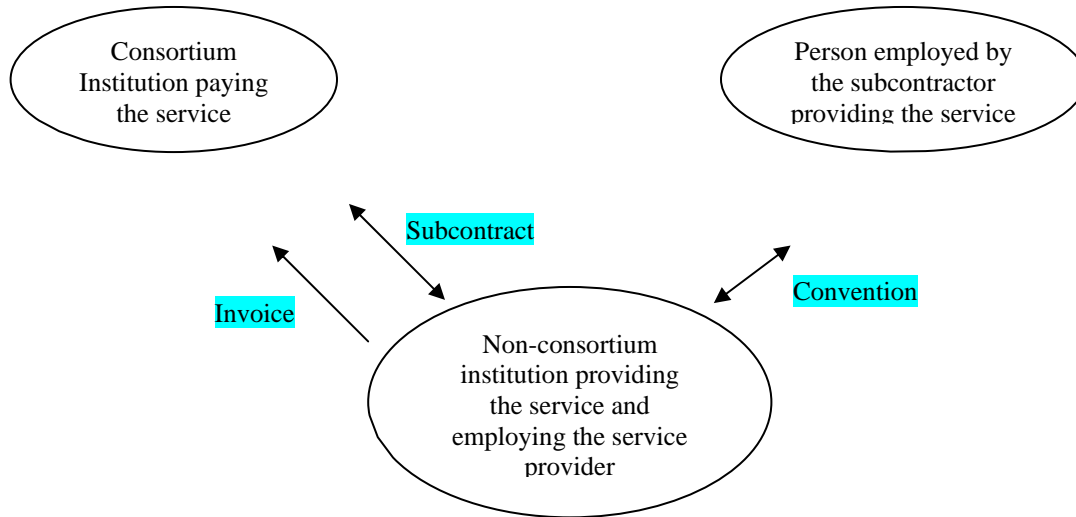
31. What are the documents that I have to submit following a subcontract with an individual or industry/company or institution which is not a partner of the consortium?

The grant holder should provide a Subcontract, the related invoice and a **Convention** for each person employed, together with the final technical implementation 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:

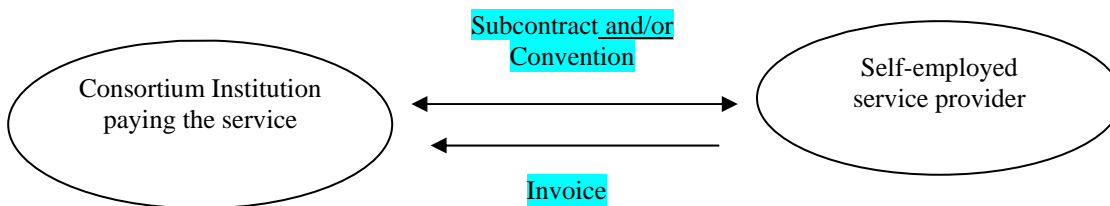
1. For a subcontract with a **non-partner institution**, the following documents are required:

- sub-contract (between the consortium institution and the institution/company providing the service)
- convention (to be signed by the person providing the service)
- invoice (by the institution/company providing the service)



2. For a subcontract with a **self employed service provider**, the following documents are required:

- sub-contract and/or convention (between the consortium institution and the person providing the service)
- invoice (by the person providing the service)



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 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.

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

32. Can the members of the consortium pay for activities directly?

Yes. The grant holder can delegate and transfer funds to the consortium members enabling them to pay directly for an activity. These institutions should ensure that the grant holder is provided with original documentation. Should this not be possible, certified copies should be provided to the grant holder and the original kept at the institution which carried out the transaction. The grant holder remains nevertheless responsible for the overall administration of the grant but according to Art. II.18 all beneficiaries are jointly responsible for any amount due to the European Commission. Arrangements should be included in the internal cooperation agreements (see Article I.3.2 of the Grant Agreement).

In case funds are transferred to consortium members, the grant holder has to inform the Commission in writing when submitting the following report about all transfers undertaken specifying the amounts and the date of the transfer.

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

Costs for EU staff are categorised in line with ISCO categories. Costs for partner country staff is determined based on whether staff carries out tasks with managerial or support responsibility or tasks of assistance and depend on whether the staff members are from public or private institutions. (for further details please consult the salary survey published on <http://ec.europa.eu/education/programmes/tempus/doc/salary.pdf>).

Staff costs are however 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 and 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.

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

The cost of staff and experts comprise actual salaries plus social security charges and other statutory costs included in the remuneration. These costs may not exceed the average rates corresponding to the institutions' usual policy on remuneration.

Indicative salary rates are published on the Tempus website (for further details please consult the salary survey published on <http://ec.europa.eu/education/programmes/tempus/doc/salary.pdf>). These salary rates are regularly updated. The updated salary rates apply as of the date of publication on the website. Consequently, it may occur that your project will have to apply different salary rates throughout its life time.

Should the rates applies in the project exceed the indicative amounts on the website, the grant holder will be required to justify the higher rates by means of supporting documents and at least a salary slip proving that for a previous and similar employment a higher rate has been paid to the person concerned.

35. 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 EU 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 € 2500 per person per month (corresponding to € 625 per person and 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/I) 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. Replacement Costs are accounted for under the budget heading “Staff costs”.

36. What is the maximum budget allowed for staff costs?

Staff costs may never exceed 30% of the maximum grant amount estimated at point A.3 of the agreement. Co-financing under this heading is not subject to the above mentioned limit.

However, for each project the specific budget for staff costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of a transfer, this amount by 10% without prior authorisation, even if the increased amount means that you are exceeding the above-mentioned 30% ceiling.

Requests to increase the staff costs budget by more than 10% and as a consequence exceeding the 30% ceiling will not be accepted.

37. Can a national from a non-EU or non-partner country who is working (staff member) at a consortium university benefit from the staff costs?

Staff of a non-European Union or non-partner country nationality can benefit from the Tempus staff costs only if they are permanent staff members of one of the consortium institutions.

38. If a partner country project team member works at an EU consortium partner institution for a "longer" period and a convention stamped by the EU university is submitted - can the team member be paid according to the EU salary rates?

As a rule, the team member would not be considered as regular staff of the EU institution. This activity is considered as a mobility and the usual rules regarding mobilities (and eventual related staff costs) apply.

Exceptionally the team member could be considered as a regular member of staff of the EU consortium partner institution (because he/she is on the payroll of the institution) and in that case the team member can be paid according to EU salary rates.

39. 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 Annex V, 8.1 of the Grant Agreement).

40. 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 Annex V, 8.1 of the Grant Agreement).

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

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

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.
- 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.

Please note however that mobility is only possible for people under official contract in the consortium institutions or experts listed in Annex I (see Article 4.4 of Annex V. Guidelines for the use of the grant). Consequently, for tasks which require a specific expertise, cannot be performed by the consortium members and involve mobility, you are advised to request prior authorisation for inclusion of the given expert in Annex I of the Grant Agreement. Requests such as this should give an indication of the task to be carried out, why it needs to be carried out by an external expert and should include a curriculum vitae.

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

42. 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 only for short visits for coordination purposes (please also see question 43 related to the location of coordination meetings).

For projects which had foreseen other types of activities for a more academic nature for instance and involving EU/EU mobility, they should contact the Commission/ETF on a case-to-case basis.

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

The coordination meetings 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.

44. I am organising a workshop, which includes the mobility and the participation of many participants; do I have to submit a separate Individual Grant holder 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. Supporting documents for the travel costs should be provided for all participants also.

45. Can a national from a non-EU or non-partner country who is studying (student mobility) or working (staff member mobility) at a consortium university participate in Tempus mobility?

Staff and students of a 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.

46. 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, art. 4.4.3, 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 $1.600 + (3 \cdot 71,43) = \text{€}1814,29$ 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 = $1200/2 = \text{€}600$ maximum.

47. 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.

48. 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.

Please bear in mind that the cost-efficiency of mobility flows (in particular with regards to the purpose of the mobility in relation to the needs of the project) is checked.

49. 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 Grant holder 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.

50. 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. Tuition fees can not be covered by institutional fees

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

51. What type of equipment is considered as eligible costs?

Only the purchase of equipment directly relevant to the objectives of the project can be considered as eligible expenditure (e.g. books and periodicals, fax machines, photocopying machines, computers and periodicals, software, machines and equipment for teaching purposes, video-projectors and video-presentations, television sets, communication lines for internet connection, access to database, consumables needed to ensure the smooth functioning of the equipment, equipment maintenance, insurance, transport and installation costs).

Furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft systems are not eligible costs (see Article I.12.3 of the Grant Agreement).

52. Can the Grant holder 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.

53. What is the maximum budget allowed for equipment?

Equipment may never exceed 30% of the maximum grant amount estimated at point A.3 of the agreement. Co-financing under this heading is not subject to the above mentioned limit.

However, for each project the specific budget for equipment costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of a transfer, this amount by 10% without prior authorisation, even if the increased amount means that you are exceeding the above-mentioned 30% ceiling.

Requests to increase the equipment budget by more than 10% and as a consequence exceeding the 30% ceiling will not be accepted.

54. I want to purchase equipment for the project. Must the equipment be produced in the EU or in the partner country? Must the equipment be purchased in the EU?

No, equipment purchased with the Tempus grant does not need to be produced necessarily in the EU or partner country.

The equipment does not need to be bought in the EU. It can also be purchased in the partner country, which has the advantage of avoiding lengthy customs procedures.

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

The acquired equipment belongs to the entitled 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.

56. Is equipment or services purchased for the Tempus project exempt from VAT?

In partner countries taxes (including VAT), duties and charges (such as customs and import duties) cannot be charged on equipment or services funded by Tempus if a Common Framework Agreement (“Financing Agreement”) has been signed between the European Commission and the **Partner Country**.

Each project receives a document, included in the JEP Grant Agreement (Annex VI), which states that acquisition, delivery and installation of equipment and the provision of services in the partner country is exempt from taxes, duties and charges. This document should normally be sufficient to obtain a tax exemption. However, practice shows that a tax 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 tax exemption cannot be obtained, the tax 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.

Equipment purchase and provision of services **in the EU Member States** must comply with the respective Member State’s legislation ruling the implementation of contracts with the European Commission.

57. Can the amount for taxes be considered as co-financing?

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

58. Is the tax exemption possible for the purchase of equipment or the provision of services through co-financing?

No, the tax exemption is being provided because the equipment or the services are being purchased with EU funds, which is not the case for equipment being purchased through co-financing.

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

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

60. How should equipment be depreciated?

According to Article II.14.2 of the Grant Agreement only *“the portion of the equipment’s depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account by the Commission – therefore can be covered by Tempus grant - (provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind”*)*.

As regards depreciation policy, beneficiaries must comply with experience and practice in their sector of activity, the general tax rules and the degree and conditions of use of the items concerned. And when the period of depreciation has been chosen, it must be the same for any given category of goods used in similar conditions.

For each equipment item up to €999 depreciation costs are not eligible. Furthermore, please note that for books and periodicals, consumables needed to ensure the smooth functioning of the equipment, equipment maintenance, insurance, transport and installation costs, communication lines for internet connection, access to database, etc. the rule of equipment depreciation will not be applied either. The second hand equipment **older than 3 years**, will not follow this depreciation rule, as computers, printers etc. older than 3 years are considered to be already depreciated.

In order to have a common basis of calculation for the depreciated equipment, please adopt the following formula:

$$A * B * C \text{ months}/12 * D = \text{eligible depreciation costs}$$

where:

A = actual cost of equipment

B = depreciation rate; we consider that for any durable equipment the loss of value per year is **1/3 of the costs of purchase**.

(ex. fax machines, photocopying machines, computers, software and equipment for teaching purposes, video–projectors and video–presentations, television sets, etc.)

We propose to apply this depreciation rate for equipment of which **the purchase costs equal or surpass €1.000.**

***) In case in your country the tax and accounting rules provide a different rate than the proposed 1/3 above mentioned, please enclose to your Final technical implementation report and financial statement a declaration from the financial services of your institution stating the depreciation rate applied.**

C= depreciation period = period in months in which the equipment has been used (within the eligibility period). This value will therefore be between 1 to max. 24 months for 2-years projects and between 1 to max. 36 months for 3-years projects.

D= percentage of usage of the equipment for the project

Example: Your eligibility period is 3 years long and 10 months after the start of the eligibility period you buy equipment which costs €5.000. This equipment is used 50% of the time for the project purpose until the end of the eligibility period.

Applying the above-mentioned formula, the calculation is:

$5.000 * 1/3 * 26 \text{ months}/12 * 0,5 = €1.805,5$ eligible depreciation costs

Another example: we have an eligibility period of 2 years, the use of new equipment within this period is 13 months (=depreciation period) and the equipment is used 80% of the time for the project.

In this case the calculation is:

$5.000 * 1/3 * 13 \text{ months}/12 * 0,8 = €1.444,4$ eligible depreciation costs

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

No (see Article I.12.4 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 the cost 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).

62. 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.

63. What is inter-project coaching?

Inter-project coaching is an activity, which allows a given project to meet and discuss with 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) up to a maximum of EUR 2500 per project. 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 Grant holders Reports, Conventions and eventual invoices). Resulting monitoring and quality reports must be included in the relevant Progress Report

NOTE : In cases of inter-project coaching between a running project and a project which has already finished, only the costs for participants of the university where the project is on-going are eligible. Costs for inter-project coaching which arise from the participation of representatives of the finished project are not eligible.

64. 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. The electronic form, as well as 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'.

65. What are the “consumables and supplies” and under which budget heading can they be charged?

Consumables and supplies are identifiable costs assigned to the action. They are considered as direct costs and therefore they have to be justified by supporting documents (invoices). They are costs of supplies necessary to carry out the project, other than “stationary and office supplies” which, on the contrary, are charged under “indirect costs” and which do not need supporting documents.

The consumables must be charged under the correct budget line. They can be under “Equipment” (e.g. consumables needed to ensure the smooth functioning of the equipment, such as toner, mouse, particular software, etc.) or under “Printing and Publishing” (such as photocopying of teaching material or of other documents necessary to achieve the objectives of the project).

66. Can I charge exchange losses?

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

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

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

68. When must I declare bank interests?

All bank interest must be declared in the final technical implementation report, covering the interests gained over the complete duration of the project.

69. 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://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&SearchField=&Period=2006-11&Delim=,&Language=en>

The exchange rate to apply is the one of the day in which payments/transactions have taken place.

70. Which exchange rate do I have to apply if there is a project account only in € and the university pre-finances certain bills which are in the (non-€) national currency - the exchange rate of the months when the university pre-finances or the exchange rate of the month when I reimburse the university?

The same principle as for question 67 should be applied.

71. Can I pay in cash if cross-border bank transfers are difficult to organise?

Payment in cash should not be done for security and accountability reasons. The university/ies in the partner country/ies should open a project bank account and financial transactions should be done through corresponding banks. The only exception is for the reimbursement of mobility costs. These can be paid directly to the person travelling. You can also transfer funds to other bank accounts for the direct payment of service providers (for the purchase of equipment for instance). Staff costs can only be paid directly to the bank account of the member of staff concerned if this person and his employer have signed a Staff Convention and you have official confirmation that the employer or the service-provider (for experts) have taken the responsibility of paying the income tax.

72. Can the project bank account be changed during the project duration?

Any change of the project bank account should be notified in writing using the third party fiche (Annex IV), signed by the legal representative authorised to act on behalf of the grant holder institution and the banking services.

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

There is no obligation that funds covering co-financing have to transit through the project bank account. It is, however, highly 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.

74. Can the charges related to a financial guarantee be considered as co-financing?

The charges related to 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.

75. Which costs are considered ineligible?

According to Article II.14.4, the following costs shall not be considered eligible:

- Return on capital;
- Debt and debt service charges;
- Provisions for losses or potential future liabilities;
- Interest owed;
- Doubtful debts;
- Exchange losses;
- VAT, unless the grant holder can show that he is unable to recover it;
- Costs declared by a grant holder and covered by another action or work programme receiving a Community grant
- Excessive or reckless expenditure.

According to Article I.12.4, further ineligible costs are:

- Equipment such as: furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft Systems;
- hospitality costs;
- costs related to the use of materials (computer, laboratory, library, etc.) incurred by universities, institutions, industries or companies when hosting staff;
- registration fees for courses, seminars, symposia, conferences, congresses;
- costs of premises (purchase, rent heating, maintenance, repairs, etc.). Renting of premises is only possible for specific dissemination events with prior written approval from the Commission;
- costs linked to the purchase of real estate.

76. What conditions/situations are understood as causing a conflict of interests and when do I have to inform the Commission about this?

Any conflict of interest arising as a result of economic interest, political or national affinity, family or emotional ties or any shared interest of any beneficiaries is to be avoided. All beneficiaries are obliged to inform the Commission in writing and without delay about any situation causing any potential conflict of interests during the performance of the action.