DISTRIBUTION

SALES AGENT SCHEME - MODULE 1
Reinvestment in Minimum Guarantee

SELECTED PROJECTS – MONITORING

F.A.Q. - Frequently Asked Questions

Call for Proposals EACEA/01/2016
ROUND: 0116

These FAQ's apply to the Call for Proposals and round as indicated above.
Please check that you refer to the correct Call for Proposals and use the respective forms.

* To check the Call for Proposals:
The Call for Proposals under which your Grant Decision/Grant Agreement has been issued is mentioned on
the 1st page of your Grant Decision/Grant Agreement.

IMPORTANT:
In the Sales Agent Scheme, we are issuing Grant Decisions and Grant Agreements.
Grant Decisions are issued to beneficiaries in all member states of the EU and are only signed by EACEA.
Grant Agreements are concluded with beneficiaries in other eligible countries and are signed by both parties.
In these FAQ's, you will see references to both Grant Decisions and Grant Agreements.

All reporting for this call will be done by e-form.
For information on how to proceed, please refer to the beneficiaries’ space on
the Creative Europe website and follow the instructions:
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### General Questions

**1. When will I receive the grant?**

There are 2 different possibilities regarding the pre-financing payment, described below. To verify which condition your payments depend upon, please always check Art. 4.1 of the Grant Decision / Art. I.4.1 of your Grant Agreement:

a) You receive the pre-financing payment - **50%** of the forecast award - upon the notification of the Grant Decision / upon signature of the Grant Agreement by the two parties. You receive the **second instalment** of the grant upon acceptance by EACEA (the "Agency") of the Final Report and the other contractual documents.

b) You do not receive a pre-financing payment, but only a **final payment** upon acceptance by the Agency of the Final Report and the other contractual documents.

**2. What costs are eligible?**


The conditions of the eligibility of costs have been also listed in the General Condition N°19 of your Grant Decision - Annex II ([https://eacea.ec.europa.eu/sites/eacea-site/files/ii_a_3.pdf](https://eacea.ec.europa.eu/sites/eacea-site/files/ii_a_3.pdf)) / Art. II.19 of your Grant Agreement – Annex II.

**3. What is the period of eligibility of costs and how is it calculated?**

The period of eligibility of costs (or the "eligibility period") is the time frame during which MG payments made for the acquisition of the film can be made to be considered eligible.

Accordingly, the Final Report must include only payments made within the eligibility period.

As indicated in the Call for Proposals EACEA/01/2016 and in Art. 2.2 of your Grant Decision / Art. I.2.2 of your Grant Agreement, the period of eligibility of costs (or "eligibility period") **starts on the date of the signature of the international sales contract and ends 24 months later.**
4. When and how can I request an extension of the period of eligibility of costs?

You should inform us as soon as you foresee that you cannot pay the whole MG within the eligibility period (delay in production of the film, film in post-production, re-negotiation of MG with Licensor, cash flow difficulties).

Please send us as soon as possible and at the latest 1 month before the end of the eligibility period, a written request, justifying the reasons for this extension. This request has to be made by the authorized signatory of the company. (see General Condition n° 12.3 of the Grant Decision (https://eacea.ec.europa.eu/sites/eacea-site/files/ii_a_3.pdf)/ Art. n° II.12.3 in the Grant Agreement).

After evaluation of this request and if accepted, a maximum extension of 6 additional months to the eligibility period will be given. EACEA will then issue an amendment to the Grant Decision/Grant Agreement with the new dates of the eligibility period (see chapter 3.2 of the Guidelines https://eacea.ec.europa.eu/sites/eacea-site/files/guidelines_sa_wp_01_2016_final.pdf).

Example:
Art. 2.2 of the Grant Decision / Art. I.2.2 of the Grant Agreement: "The action and the period of eligibility of costs shall run as of 08/11/2016 (date of signature of the deal memo or sales agreement) ("the starting date of the action") and shall end on 07/11/2018 ".

=> Consequently:
- You have to send your request in writing at the latest by 07/10/2018.

- The new end date of the period of eligibility of costs will be: 07/11/2018 + 6 months = 07/05/2019.

- The new period of eligibility of costs will be: 08/11/2016 – 07/05/2019.

N.B. Please note that a retroactive extension is not allowed.
### Final Report

**5. Where can I find the Final Report form?**

The Final Report has to be completed and submitted using the eReports from the Research and Innovation Participant Portal ([http://ec.europa.eu/research/participants/portal/desktop/en/home.html](http://ec.europa.eu/research/participants/portal/desktop/en/home.html)).

We strongly recommend to carefully read the user guide "**how to complete and submit a project report using e-Reports**" ([https://eacea.ec.europa.eu/sites/eacea-site/files/ereport_1.1.0_submission_user_guide_0.pdf](https://eacea.ec.europa.eu/sites/eacea-site/files/ereport_1.1.0_submission_user_guide_0.pdf)).

**6. When do I have to submit the Final Report?**

The Final Report is due at the latest 2 months after the end of the period of eligibility of costs.

Example: Period of eligibility of costs: 08/11/2016 until 08/11/2018
=> Final Report due by (latest): 08/01/2019

However, you don't have to wait for this date in order to submit the Final Report! You are strongly encouraged to send the required documents as soon as you have completed all costs related to the Action.

**7. How do I fill in the "List of Invoices" if I have paid the MG in another currency than Euro?**

First check carefully from which bank account the MG payments have been debited.

Then, under the tab "Reinvestment on Minimum Distribution Guarantee", in "Activity Report – List of invoices", enter the amount(s) of the MG payment(s) in the currency specified in the deal memo/distribution agreement. Next to each amount, specify the amount(s) of the MG payment(s) in the currency of your bank account used to execute the transfer.

If the payments were made in your **local currency**, you have to calculate as follows:
You fill in the exact debited amounts in local currency at the time of the transfer (bank value dates) and you convert the total of these amounts into EURO by using the **exchange rate** established by the European Commission that is **applicable in the month in which you submit the Final Report** (see also FAQ nº 8).

N.B. Please fill in the **exact** converted amount in EURO and do not round it up.
8. Which exchange rate must I use?

For the conversion of actual costs into Euro you must use the exchange rate **established by the European Commission** that is **applicable on the month in which you submit the Final Report**.

Please use 4 decimal points.

You can find this exchange rate in the following website:

9. I have paid a "withholding tax", do I have to submit the proof of payment?

Yes, any proof of withholding tax payment should be attached to the Final Report.

10. Do I have to submit the Final Report even if I have paid only one part of the MG within the eligible period?

Yes, in any case the Final Report with the MG already paid has to be submitted to EACEA.

11. The final budget is different from the forecast in the Grant Decision/Grant Agreement. Does this affect my MEDIA award?

The MEDIA award can never be higher than:

a) the amount specified in Art. 3 of your Grant Decision / Art. I.3. of your Grant Agreement, and

b) the percentage of the final eligible costs as this is specified in section V of Annex I of your Grant Decision/Grant Agreement. In the Sales Agent scheme, Module 1, this can be 50% or 60% (60% when the licence agreement is signed before completion of the principal photography of the film; 50% when the licence agreement is signed after completion of the principal photography of the film).

- In case of overspending, you will receive the maximum amount mentioned in your Grant Decision/Grant Agreement, i.e. your award will not be higher because of higher MG payments.

- In case of underspending, and after the analysis of the Final Report by EACEA, you will receive 50% or 60% of your final eligible MG payments, always limited to the maximum award (Art. 3 of your Grant Decision / Art. I.3. of your Grant Agreement).

**Example n° 1:**
Estimated budget: 100.000,00 €
Forecast award: 50.000,00 € or 50% of the final eligible MG payments


- **overspending:**
  Final budget (approved): 120,000,00 €
  => Final MEDIA award: 50,000,00 € (= maximum amount)

- **underspending:**
  Final budget (approved): 80,000,00 €
  => Final MEDIA award: 40,000,00 € (= 50% of the final eligible MG payments)

**Example n° 2:**
Estimated Budget: 100,000,00 €
Forecast award: 30,000,00 € (the remaining amount/balance of generated fund) or 50% of the final eligible MG payments

Final Report: paid MG = 90,000,00 €
=> Final MEDIA award = 30,000,00 € (and not 45,000,00 € that corresponds to 50%).

12. When trying to submit the Final Report there is an error regarding the Financing Plan. What should I do?

The "Total eligible amount of MG" **should correspond exactly to the total of "Financing Plan"**.

**Example:**
Estimated cost of MG: 35,000,00 €
Maximum award: 50% of the final eligible costs
Forecast award: 17,500,00 €

Final cost of MG paid within the eligibility period: 30,000,00 €
Final award: 15,000,00 €

**Total Eligible Amount of MG:**

<table>
<thead>
<tr>
<th>Total Eligible Amount of MG</th>
<th>Contractual</th>
<th>Declared</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>35,000,00 €</td>
<td>30,000,00 €</td>
</tr>
</tbody>
</table>

**Financing Plan:**

<table>
<thead>
<tr>
<th></th>
<th>Contractual</th>
<th>Declared</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU grant requested</td>
<td>17,500,00 €</td>
<td>15,000,00 €</td>
</tr>
<tr>
<td>Other public support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution financed by the distributor</td>
<td>17,500,00 €</td>
<td>15,000,00 €</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>35,000,00 €</strong></td>
<td><strong>30,000,00 €</strong></td>
</tr>
</tbody>
</table>
13. Does the Final Report need to be certified by an approved auditor?

- When the grant is equal to EUR 60.000 or less, as stated in Art. 3 of the Grant Decision / Art. I.3 of the Grant Agreement, there is no need for an audit certification. You must however submit the invoices and a copy of the proofs of payments: bank debit statement(s) and where applicable, proofs of withholding tax payment(s) and proofs of compensation (proof(s) of the intercompany balance and an explanatory letter signed by both Legal Representatives of the companies).

- When the grant is more than EUR 60.000 and less than EUR 750.000, as stated in Art. 3 of the Grant Decision / Art. I.3 of the Grant Agreement, the Final Report must be accompanied by the Report of Factual Findings on the Final Financial Report, signed by a certified auditor – Type I: https://eacea.ec.europa.eu/sites/eacea-site/files/annex_iii_guidance_notes_audit_type_i_03-2014_en.pdf.

- When the grant is equal to or more than EUR 750.000, as stated in Art. 3 of the Grant Decision / Art. I.3 of the Grant Agreement, the Final Report must be accompanied by the Report of Factual Findings on the Final Financial Report, signed by a certified auditor – Type II: https://eacea.ec.europa.eu/sites/eacea-site/files/annex_iii_guidance_notes_audit_type_i_03-2014_en.pdf.

14. Should I submit other documents together with the Final Report?

Yes, at the time of the submission of the Final Report, you have to attach the following documents:

- The completed and signed Final Payment Request (see FAQ nº 16).
- All the invoices and a copy of the proofs of payments: bank debit statement(s) and where applicable, proofs of withholding tax payment(s) and proofs of compensation (as described in FAQ nº14).
- When the grant is more than 60.000,00 €, the Report of Factual Findings (Type I or II), signed by an approved certified auditor (as described in FAQ nº 14).

15. What is the Final Payment Request? Where can I find it?

The Final Payment Request is a form to be filled in and signed by the Legal Representative or the authorised signatory of the company.

Checklist for beneficiary

Before submitting the Final Report, you can use this checklist to make sure that you filled in all necessary information:

- I filled in the Final Report, corresponding to the right project.  
- The "Total eligible amount of MG" corresponds exactly to the total of the "Financing Plan"  
- I attached all the invoices and a copy of the proofs of payments: bank debit statement(s) and where applicable, proofs of withholding tax payment(s) and proofs of compensation (if the grant is equal or less than 60.000,00 €)  
- I attached the Final Payment Request, signed by the Legal representative or the authorised signatory of the company  
- I attached the Report of Factual Findings (Type I or II), signed by an approved certified auditor (if the grant is more than 60.000,00 €)

For more information

- The Distribution Support to Sales Agents functional mailbox: EACEA-DISTRIBUTION-SALESAGENTS@ec.europa.eu

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