DISTRIBUTION

SALES AGENT SCHEME - MODULE 2
Reinvestment in Distribution Costs

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 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/action period and how is it calculated?

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

Accordingly, the Final Report must include only costs incurred 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?

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.
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).

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).

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.


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. Which invoices should I describe in "List of Invoices" and attach to the Final Report?

You should only list and attach invoices related to the Subheading of the Budget "Digital Costs".

Therefore, the total amount of the "List of Invoices" (under tab "Final Report") must correspond to the total amount of your "Digital Costs" (under tab "Budget"/"Costs").

To facilitate the calculation of this amount, please list for any invoice:

- the invoice number
- the date of the invoice
- the description of this cost
- the amount in local currency
- the amount in Euro

If one or several invoices is not in Euro but in local currency, you must convert this amount in Euro and you must use the exchange rate established by the European Commission (please see FAQ nº 8).

**IMPORTANT:** Please be sure that the costs mentioned in the "List of invoices" are within the eligibility period.
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. What are "All other costs"?

A space is provided under tab "Activity Report" for the disclosure of other costs directly linked to the actions, which are not expressly provided for in the form. They have to be clearly identified and detailed in the Final Report for them to be eligible. They must have been included in the estimated budget annexed to the Grant Decision/Grant Agreement.

Costs normally associated with the running of the company are not eligible under this subheading.

10. We made other costs related to the distribution of the film, but they were not forecast in the Grant Decision/Grant Agreement. Can I include them in the Final Report?

There are several possible cases:

a) If these costs can be included in one of the Subheadings where there were already forecast costs in the Grant Decision/Grant Agreement, and if they don't cause a variation of more than 10% of the forecast costs, you can include them in the Final Report without further request or explanation.

b) If these costs can be included in one of the Subheadings where there were already forecast costs in the Grant Decision/Grant Agreement, but they cause a variation of more than 10% of the forecast costs, please see FAQ nº 11.

c) If these costs cannot be included in one of the Subheadings where there were already forecast costs in the Grant Decision/Grant Agreement, they can only be added after the Agency's approval of your request and subsequent amendment to the Grant Decision/Grant Agreement.

Any request for a change in the budget and subsequent amendment to the Grant Decision/Grant Agreement should be sent to EACEA in good time before the costs are incurred, and at any event at the latest 1 month before the end of the eligibility period of costs (please see General Condition n°12 of your Grant Decision / nº II.12 of your Grant Agreement).

In any case please inform us as soon as you foresee an important variation from your estimated budget.
11. The final budget is different from the forecast in the Grant Decision/Grant Agreement. Do I have to send an explanation or a request for amendment in advance?

A variation of maximum 10% per budget Heading regarding the eligible estimated budget is allowed without prior request. This means that you may vary up to 10% of the total estimated costs in each budget heading individually (i.e. "Advertising and promotion costs", "Optical & Digital Costs" and "Other Costs") and irrespectively of the variation of the Subheading or the global budget.

If the variation of a budget Heading is higher than 10%, there are several possible cases:

- In case of underspending of more than 10% in a budget Heading, you have to provide an explanation along with the Final Report, explaining the reasons for e.g. reducing your budget and/or cancelling specific budget items (under tab "Final Report" / "Activity Report" / last field).
  Please note that if the total amount of the budget is reduced, your grant will be reduced accordingly, as forecast in Art. 3 of your Grant Decision/ Art. I.3 of your Grant Agreement, even if you have increased costs. (see also FAQ nº 12).

- In case of overspending of more than 10% in a budget Heading, the overage amount will be rejected. You have to provide an explanation along with the Final Report, explaining the reasons for the increased budget (under tab "Final Report" / "Activity Report" / last field).
  Please note that the MEDIA award cannot be higher than the maximum amount forecast in Art. 3 of your Grant Decision/ Art. I.3 of your Grant Agreement, even if you have increased costs. (see also FAQ nº 12).

- In case of overspending of more than 10% in a budget Heading, but underspending in another budget Heading, you can avoid the rejection of the overage amount (and the subsequent possible reduction of the grant), by requesting an amendment to the Grant Decision/Grant Agreement with a new estimated budget.

Any request for a change in the budget and subsequent amendment to the Grant Decision/Grant Agreement should be sent to EACEA in good time before the costs are incurred, and at any event at the latest 1 month before the end of the period of eligibility of costs (please see General Condition n°12 of your Grant Decision / Art. nº II.12 of your Grant Agreement).

In any case please inform us as soon as you foresee an important variation from your estimated budget.

12. 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 2, the percentage is always 50%.
• 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 increased expenses.

• In case of **underspending**, and after the analysis of the Final Report by EACEA, you will receive 50% of your final eligible costs, 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 costs

- **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 costs)

**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 costs

Final Report: eligible costs = 90.000,00 €
=> Final MEDIA award = 30.000,00 € (and not 45.000,00 € that corresponds to 50%).

13. When trying to submit the Final Report there is an error regarding the Budget. What should I do?

In the tab "Budget", the total "Costs" should correspond exactly to the total "Income".

**Example:**
Estimated total distribution costs: 35.000,00 €
Maximum award: 50% of the final eligible costs
Forecast award: 17.500,00 €

Final distribution costs paid within the eligibility period: 30.000,00 €
Final award: 15.000,00 €

- **Costs:**
  Total - Contractual: 35.000 €
  Total - Declared: 30.000 €

- **Income:**
  Total - Contractual: 35.000 €
  Total - Declared: 30.000 €
14. 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 *proofs of payment* regarding the Subheading "Digital Costs" of the budget (see also FAQ nº 7).

- 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](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](https://eacea.ec.europa.eu/sites/eacea-site/files/annex_iii_guidance_notes_audit_type_i_03-2014_en.pdf).

15. The audit of the Final Report took place after the end of the eligibility period. Are these costs eligible?

**Yes**, the costs related to the Audit Certification are eligible.

16. 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 17)
- When the grant is **equal or less than 60,000,00 €**, the invoices and *proofs of payment* regarding the Subheading "Digital Costs" of the budget (see FAQ nº 14)
- 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)

17. 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:

<table>
<thead>
<tr>
<th>Requirement</th>
<th>✔</th>
</tr>
</thead>
<tbody>
<tr>
<td>I filled in the <strong>Final Report</strong>, corresponding to the right project.</td>
<td></td>
</tr>
<tr>
<td>Under tab &quot;Final Report&quot;, I filled in the <strong>Activity Report</strong> and the <strong>List of Invoice(s)</strong></td>
<td></td>
</tr>
<tr>
<td>Under the tab &quot;<strong>Budget</strong>&quot;, the total of &quot;Contractual&quot; and &quot;Declared&quot; Costs correspond exactly to the total of &quot;Contractual&quot; and &quot;Declared&quot; Income</td>
<td></td>
</tr>
<tr>
<td>I attached all the invoices and <strong>proofs of payment</strong> regarding Subheading &quot;Digital Costs&quot; of the Budget (if the grant is equal or less than 60,000,00 €)</td>
<td></td>
</tr>
<tr>
<td>I attached the <strong>Final Payment Request</strong>, signed by the Legal representative or the authorised signatory of the company</td>
<td></td>
</tr>
<tr>
<td>I attached the <strong>Report of Factual Findings</strong> (Type I or II), signed by an approved certified auditor (if the grant is more than 60,000,00 €)</td>
<td></td>
</tr>
</tbody>
</table>

For more information

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