ANNEX III – FINANCIAL AND CONTRACTUAL RULES

[This Annex refers to **Key Action 1** – higher education **monobeneficiary and multibeneficiary** grant agreements.]

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I. RULES APPLICABLE TO BUDGET CATEGORIES BASED ON UNIT CONTRIBUTIONS

I.1 Conditions for eligibility of unit contributions

Where the grant takes the form of a unit contribution, the number of units must comply with the following conditions:

- the units must be actually used or produced in the period set out in Article I.2.2 of the Special Conditions;
- the units must be necessary for implementing the Project or produced by it;
- the number of units must be identifiable and verifiable, in particular supported by records and documentation specified in this Annex.

I.2 Calculation and supporting documents for unit contributions

A. Travel Support

By default, the place of origin is understood as the place where the sending organisation is located and the place of the venue as the place where the receiving organisation is located. If a different place of origin or venue is reported, the beneficiary must provide the reason for this difference.

In case no travel took place or it was funded from other EU sources than the Erasmus+ Programme (e.g. a mobility participant is already at the place of the venue in relation to another activity than the one funded from the Agreement), the beneficiary must report that situation accordingly in the Erasmus+ reporting and management tool for each mobility concerned. In this case, no grant support for travel will be awarded.

(a) Calculation of the grant amount for travel costs: the grant amount is calculated by multiplying the number of participants per distance band, by the unit contribution applicable to the distance band concerned and type of travel (standard or green), as specified in Annex IV of the Agreement. The unit contribution per distance band represents the grant amount for a return travel between the place of departure and the place of arrival. In case of green travel modes (train, bus, shared car), the green travel unit contributions apply, otherwise the standard travel unit contributions apply.

Unit contributions for travel are applicable for any staff and student mobility.

For the establishment of the distance band applicable, the beneficiary must indicate the distance of a one-way travel using the on-line distance calculator available on the Commission's website at:
http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm.

The beneficiary will calculate in the Erasmus+ reporting and management tool the grant amounts for travel based on the applicable unit contribution rates.

(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.

(c) Supporting documents

- Supporting documents for staff: Proof of attendance of the activity in the form of a declaration signed by the receiving organisation, covering also the virtual components in case of blended mobility, and specifying the name of the participant, the purpose of the activity, as well as its confirmed starting and end date of the physical mobility activity.

- Supporting documents for students: Documentary evidence issued by the receiving organisation, covering also the virtual components in case of blended mobility, and specifying:

  - the name of the student,
  - the confirmed start and end date of the physical mobility activity

in the following format:

- Transcript of Records (or statement attached to it) in the case of mobility for studies
- Traineeship Certificate (or statement attached to it) in the case of mobility for traineeships.]

In addition, in case of use of sustainable means of transport (green travel): a declaration on honour signed by the person receiving the travel grant and the sending organisation will serve as supporting documentation.

B. Individual support

(a) Calculation of the grant amount for students: the grant amount is calculated by multiplying the number of days/months of physical presence per student by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex IV of the Agreement. Funded travel days may be added if relevant for a specific activity, and up to the limits specified in the Programme Guide.

In the case of incomplete months for long-term mobilities, the grant amount is calculated by multiplying the number of days in the incomplete month by 1/30 of the unit contribution per month including the top-up amounts.

Students and recent graduates with fewer opportunities participating in mobility must receive a top-up amount for fewer opportunities for individual support when they fulfil the eligibility criteria set at national level.

Start and end dates will be counted as follows:

- The start date should be the first day that the student needs to be present at the receiving organisation (first course/first day at work/first day of welcoming event or language and intercultural courses).

- The end date should be the last day the student needs to be present at the receiving organisation (last day of the exam period/course/work/mandatory sitting period).

Calculation of the grant amount for staff: the grant amount is calculated by multiplying the number of physical presence of days per participant by the unit contribution applicable per day for the receiving country concerned as specified in Annex IV of the Agreement. Funded travel days may be added if relevant for a specific activity, and up to the limits specified in the Programme Guide.

Changes in the period of stay for students and staff:

- If the expected period of stay is longer than the one indicated in the grant agreement, the beneficiary may:

    - Either amend the grant agreement during the mobility period to take into account the longer duration, provided that the remaining grant amount allows it.

    - Or agree with the participant during the mobility period that the additional number of days will be considered as a period of "zero-grant" (non-funded duration).

- The grant amount cannot be increased after the mobility is finished.

- If the confirmed period of stay is longer than the one indicated in the grant agreement, the additional days are to be considered a period of "zero-grant".

- For long-term student mobility: Without prejudice of the respect of the minimum eligible duration, if the confirmed period of stay is shorter than the one indicated in the grant agreement, the beneficiary will act as follows:

  - If the difference between the confirmed period and the one indicated in the grant agreement is more than 5 days, the beneficiary must update this in the Erasmus+ reporting and management tool by indicating the confirmed period (i.e. the start date and end dates notified in the Transcript of Records or Traineeship Certificate) and the grant will be recalculated.

  - On the contrary, if the difference is 5 days or less, the beneficiary must maintain in the Erasmus+ reporting and management tool the period indicated in the grant agreement (i.e. the grant is not recalculated).]

- In case of an interruption during the stay, the period of the interruption will not be counted when calculating the individual support grant. In case of interruption due to "force majeure", the participant must be allowed to continue the activities after the interruption (if possible within the conditions established in this Agreement).

- In case of termination by the participant of the agreement with the beneficiary due to "force majeure", the participant must be entitled to receive the amount of the grant corresponding at least to the actual duration of the mobility period. Any remaining funds must be refunded to the beneficiary, except if agreed differently by both parties.

(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity for the specified period.

(c) Supporting documents:

Supporting documents for staff: Proof of attendance of the activity in the form of a declaration signed by the receiving organisation, covering also the virtual components in the case of blended mobility, and specifying the name of the participant, the purpose of the activity, as well as its confirmed physical start and end date.

Supporting documents for students: Documentary evidence issued by the receiving organisation, covering also the virtual components in case of blended mobility, and specifying:

- the name of the student,
- the confirmed physical start and end date of the mobility activity

in the following format:

- Transcript of Records (or statement (Certificate of Attendance) attached to it) in the case of mobility for studies.
- Traineeship Certificate (or statement (Certificate of Attendance) attached to it) in the case of mobility for traineeships.

Supporting documents for blended mobility and for the participation in blended intensive programmes: the regular documents as specified above have to be used.

Supporting documents for the top-up amount for fewer opportunities: Proof of meeting one national criterion. The use of a self-declaration is allowed as supporting document as part of the national criteria.]

(d) Reporting:

Participants in mobility activities must provide their feedback in terms of factual information and their appreciation of the activity period, its preparation and follow-up. The participants must use the standard on-line questionnaire provided by the European Commission (the participant report) when submitting their feedback.

Participants who fail to submit their report may be required to partially or fully reimburse the financial contribution received from Erasmus+.

C. Organisational support

(a) Calculation of the grant amount for mobility organisational support: the grant amount is calculated by multiplying the total number of participations in mobility activities (i.e. regardless of whether the same participant will have undertaken one or more mobilities) by the unit contributions applicable as specified in Annex IV of the Agreement.

The total number of participations considered for the calculation of organisational support includes the number of students and staff undertaking inbound and outbound mobility registered in Annex II. The beneficiary may request additional organisational support to the NA for participants with a zero-grant from Erasmus+ EU funds. The total number of persons considered for organisational support

excludes persons accompanying participants at their activity and additional mobilities that may be organised by transferring funds between budget categories.

(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.

(c) Supporting documents:

The same supporting documents as specified under the individual support section.

(d) Reporting:

Mobility organisational support:

- There is a margin of tolerance of 10%, meaning that the organisational support grant must not be reduced if the total number of student and staff mobilities is lower than the number of mobilities specified in Annex II of the Agreement by 10% or less.
- At final report stage, if the number of mobilities implemented is higher than the number specified in Annex II, the grant amount for organisational support will be limited to the maximum amount specified in Annex II.

Mobility activities: The beneficiary must report on the achieved activity.

D. Inclusion support for organisations

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participants with inclusion support.
(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity and received inclusion support for participants.
(c) Supporting documents: supporting documents proving the payment of the inclusion support for participants, as specified in section II.2.A of this Annex.

E. Online Language Support (OLS)

- The beneficiary must ensure that OLS accesses are awarded to all eligible participants (as soon as possible after their selection for the mobility activity).
- Participants can take as many language courses (and assessments) as they wish, in the languages of the choice available in the OLS tool, taking into account that

Higher Education students undertaking long-term activities (14 days or more) should nevertheless take a self-assessment in their language of mobility on the OLS tool.

- OLS must be used in the period between the OLS access is granted and the end of the mobility activity.
- The beneficiary must monitor the use of the Online Language Support by participants on the basis of the information provided through the related management tools.
- The beneficiary must make every effort to ensure that all the OLS accesses (which include both assessments and courses) are actively used by the selected participants.
- By signing the individual mobility grant agreement, mobility participants commit to give the necessary attention to their language learning, by using the OLS language assessment and courses before (and, if relevant, during) the mobility, if awarded. Higher Education students undertaking long-term activities (14 days or more) commit to take an initial assessment in the language of mobility prior to departure.
- The beneficiary must act in line with the guidelines for use of OLS provided by the OLS service providers.
- The beneficiary must report on the number of used language assessments and courses in their reports.
- In case of significant number of unused OLS accesses at the time of interim and final report submission, the NA may decide to take this into account in the evaluation of the project results, in relation to the beneficiary.

II. RULES APPLICABLE FOR THE BUDGET CATEGORIES BASED ON REIMBURSEMENT OF ACTUAL INCURRED COSTS

II.1. Conditions for the reimbursement of actual costs

Where the grant takes the form of a reimbursement of actual costs, the following conditions must apply:

(a) they are incurred by the beneficiary;

(b) they are incurred in the period set out in Article I.2.2.;

(c) they are indicated in the estimated budget set out in Annex II or eligible following budget transfers in accordance with Article I.17;

(d) they are incurred in connection with the Project as described in Annex II and are necessary for its implementation;

(e) they are identifiable and verifiable, in particular are recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;

(f) they comply with the requirements of applicable tax and social legislation;

(g) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;

(h) they are not covered by a unit contribution as specified in Section I of this Annex.

II.2. Calculation of actual cost

A. <u>Inclusion support for participants</u>

(a) Calculation of the grant amount: the grant is a reimbursement of 100% of the eligible costs actually incurred.

(b) Eligible costs:

These additional costs are those directly related to participants with fewer opportunities and their accompanying persons, which cannot be covered through the top-up amount for individual support for participants with fewer opportunities. In particular these costs aim at covering the extra financial support required for participants with physical, mental or health related conditions to allow their participation in the mobility as well as in preparatory visits.

Funding for accompanying persons for the first 60 days is based on the unit costs for staff mobility (travel support, individual support). If the stay abroad is longer than 60 days, the grant item “inclusion support for participants” will be calculated based on real costs for subsistence beyond the 60th day.

Funds for inclusion support for participants, once the participants have been selected, may be made available in two ways. The beneficiary may either submit a funding request to the NA or do a budget transfer according to article I.17.]

(c) Supporting documents: documentation justifying the need for inclusion support for the participant signed by the receiving or sending organisation specifying the name of the participant, the purpose of the activity, as well as its start and end date, documentation of the planned real costs and their approval by the NA, and proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, the date of the invoice, and if relevant a documentation signed by the receiving organisation specifying the confirmed start and end date of the stay of the accompanying person).

(d) Reporting: for each cost item in this budget category, the beneficiary must report the type of costs and the real amount of costs incurred.

A. <u>Exceptional costs</u>

(a) Calculation of the grant amount: the grant is a reimbursement of 80% of the following eligible costs actually incurred.

(b) Eligible costs:

- Costs relating to a pre-financing guarantee lodged by the beneficiary where such guarantee is required by the NA, as specified in Article I.4.2 of the Agreement.

- Costs of travel in the most economical but also effective way for eligible participants for which the standard funding rule does not cover at least 70% of the eligible costs. The exceptional costs for expensive travel replaces the separate travel grant.

- For exceptional costs for the financial guarantee, the beneficiary may submit a funding request to the NA.

(c) Supporting documents:

- Proof of the cost of the financial guarantee issued by the body providing the guarantee to the beneficiary, specifying the name and address of the body issuing the financial guarantee, the amount and currency of the cost of the

guarantee, and providing the date and signature of the legal representative of the body issuing the guarantee.

III. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES

a) The beneficiary must ensure that the activities of the project for which grant support was awarded are eligible in accordance with the rules set out in the Erasmus+ Programme Guide.

b) Travel time will not be considered when determining compliance with minimum eligible duration of mobility activities specified in the Programme Guide.

c) Activities that are not compliant with the rules set out in the Erasmus+ Programme Guide (as complemented by the rules set out in this Annex) must be declared ineligible by the NA and the grant amounts corresponding to those activities must be recovered in full. The recovery must cover all budget categories for which a grant was awarded in relation to the activity that is declared ineligible.

IV. FINAL REPORT

The final report will be assessed in conjunction with the participant reports, using a common set of quality criteria focusing on:

- The extent to which the project was implemented in line with the grant agreement.
- The extent to which the project was implemented in respect of the quality and compliance requirements set out in the Erasmus Charter for Higher Education and the applicable inter-institutional agreement(s).
- The extent to which the grant amounts due to mobility participants were transferred to them in accordance with the contractual provisions set out in the agreement between the beneficiary and the participant following the templates provided in Annex V of the Agreement.

The final report will be scored on a total of maximum 100 points. If the NA considers that the implementation of the project does not respect the quality commitment undertaken by the beneficiary, the NA may in addition or alternatively require the beneficiary to develop and implement an action plan within an agreed timeframe to ensure respect of the applicable requirements. If the beneficiary does not implement the action plan in a

satisfactory manner by the due date, the NA may recommend to the European Commission to withdraw the Erasmus Charter for Higher Education of the beneficiary.

V. GRANT REDUCTION FOR POOR, PARTIAL OR LATE IMPLEMENTATION

Poor, partial or late implementation of the Project may be established by the NA on the basis of the final report submitted by the beneficiary (including reports from individual participants taking part in the mobility activities).

In addition, the NA may also consider information received from any other relevant source, proving that the Project is not implemented in accordance with the contractual provisions. Other sources of information may include monitoring visits, accreditation interim reports, desk checks or on-the-spot checks undertaken by the NA.

If the final report scores below 60 points in total, the NA may reduce the final grant amount for organisational support on the basis of poor, partial or late implementation of the action even if all activities reported were eligible and actually took place. In that case, a grant reduction may correspond to:

- 10% if the final report scores at least 50 points and below 60 points;
- 25% if the final report scores at least 40 points and below 50 points;
- 50% if the final report scores at least 25 points and below 40 points;
- 75% if the final report scores below 25 points.

VI. GRANT MODIFICATIONS

(a) Grant modification due to redistribution of funds or additional funds being available

In the framework of redistribution of funds in higher education mobility, or in the event of additional funds becoming available to the NA for (re)allocation to the beneficiaries, the total maximum grant amount indicated in Article I.3.1 may be increased provided that:

- the beneficiary has not been awarded the full grant requested under the main selection round due to the high demand and limited budget per region;
- mobilities with the region for which further financing is requested had already been

requested in the application and had passed the quality assessment;

- on the basis of the information in the interim/progress report and data registered in the Beneficiary Module, the implementation of mobilities granted initially is in line with the Grant Agreement.

When the interim report shows a very low number of mobility activities indicating that the beneficiary will not fully implement the awarded grant, the total maximum grant amount indicated in Article I.3.1 may be decreased through an amendment.

The final grant amount awarded must not exceed the grant amount requested by the applicant in the initial grant application, unless covered under VI (b). The grant amount requested refers to the overall grant requested in the entire application, irrespective of the specific amounts requested per budget envelope.

(b) Grant increase for inclusion support and exceptional costs

As there is no provision for requesting inclusion support or exceptional costs at application stage in the field of higher education, the beneficiary may apply for additional grant support once the participants have been selected. Such inclusion support may be provided by the NA for participants with fewer opportunities and their organisation or in the case of exceptional costs as specified under Article II.2.B.

(c) Contractual modifications

In accordance with Article II.13 of Annex I of the Agreement, any modification of the grant as set out in Sections V (a) and (b) above will take the form of an amendment to the Agreement.

VII. CHECKS OF GRANT BENEFICIARY AND PROVISION OF SUPPORTING DOCUMENTS

In accordance with Article II.27 of the Annex I of the Agreement, the beneficiary may be subject to checks and audits in relation to the Agreement, including both inbound and outbound mobility. Checks and audits aim at verifying whether the beneficiary managed the grant in respect of the rules set out in the Agreement, in order to establish the final grant amount to which the beneficiary is entitled.

A final report check must be performed for all projects. In addition, the project may be subject to further desk check or on-the-spot check if the project Agreement is included in

the NA sample required by the European Commission or if the NA has selected it for a targeted check based on its risk assessment.

For final report check and desk check, the beneficiary must supply to the NA physical or electronic copies of supporting documents specified in the section I.2, unless the NA makes a request for originals to be delivered. The NA must return original supporting documents to the beneficiary upon its analysis thereof. If the beneficiary is legally not authorised to send original documents for final report or desk checks, a copy of the supporting documents may be sent instead.

For any type of check the beneficiary may be requested by the NA to provide additional supporting documents or evidence that are typically required for another type of check, as specified in Article II.27 of the General Conditions.

The different checks must include the following:

a) Final report check

The final report check is undertaken at final report stage at the NA premises in order to establish the final grant amount to which the beneficiary is entitled.

The beneficiary's final report to the National Agency must include the following information (if applicable within the action format and project concerned):

- Unit contributions consumed for budget categories:
  - Organisational support
  - Travel support
  - Individual support
  - Inclusion support for organisations

- Actual costs incurred for budget categories:
  - Inclusion support for participants
  - Exceptional costs

b) Desk check

Desk check is an in-depth check of supporting documents at the NA premises that may be conducted at or after the final report stage. Upon request, the beneficiary must submit to the National Agency the supporting documents for all budget categories.

c) On-the-spot checks

On-the-spot checks are performed by the NA at the premises of the beneficiary or at any other premises relevant for the execution of the Project. During on-the-spot checks, the

beneficiary must make original supporting documentation for all budget categories available for review by the National Agency, and must enable the National Agency access to the recording of project expenses in the beneficiary's accounts.

On-the-spot checks can take the following forms:

- **On-the-spot check during project implementation**: this check is undertaken during the implementation of the Project in order for the National Agency to directly verify the reality and eligibility of all project activities and participants and to establish compliance with the commitments undertaken as a result of the inter-institutional agreement (s);

- **On-the-spot check after completion of the project**: this check is undertaken after the end of the Project and usually after the final report check.

- **Systems check**

The systems check is performed to establish the beneficiary's system for making its regular grant claims in the context of the programme as well as it compliance with the commitments undertaken as a result of their accreditation. The systems check is performed to establish the beneficiary's compliance with the implementation standards committed to in the framework of the Erasmus+ Programme. The beneficiary must enable the National Agency to verify the reality and eligibility of all project activities and participants by all documentary means, including video and photographic records of the activities undertaken, in order to rule out double funding or other irregularities.