



GUIDE FOR APPLICANTS

ASYLUM, MIGRATION AND INTEGRATION FUND (AMIF)

INTERNAL SECURITY FUND (ISF)

EMERGENCY ASSISTANCE

DISCLAIMER

The purpose of this Guide is to assist organisations to submit a grant application to participate in actions and help them to understand administrative and financial rules governing EU grants provided under the AMIF/ISF financial instrument. This Guide should also provide operational, administrative and financial management guidelines to organisations whose projects have been awarded a grant.

Applicant and Co-Applicant organisations are therefore requested to read this Guide carefully before they start preparing the Grant Application Package.

Neither the European Commission nor any person acting on its behalf can be held responsible for the use made of these guidelines.

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1. Introduction

1.1 Legal Base

- Regulation (EU) No 516/2014¹ establishing the Asylum, Migration and Integration Fund that governs the implementation of the EU financial instrument to support actions in the area of asylum, migration and integration (hereinafter referred to as "**AMIF legal base**");
- Regulation (EU) No 513/2014² establishing the Instrument for financial support for police cooperation, preventing and combating crime, and crisis (hereinafter referred to as "**ISF Police legal base**");
- Regulation (EU) No 515/2014³ establishing the Instrument for financial support for external borders and visa (hereinafter referred to as "**ISF Borders and Visa legal base**");
- Regulation (EU) No 514/2014⁴ laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management (hereinafter referred to as "**Horizontal Regulation**").

1.2 Who manages the Emergency Assistance grant scheme (EMAS) under the AMIF/ISF?

The Emergency Assistance grant scheme (EMAS) under the AMIF/ISF is directly implemented by the European Commission, Directorate-General for Home Affairs (hereinafter referred to as DG HOME) based in Brussels – Belgium.

The team managing the EMAS under the AMIF can be directly contacted via their **functional mailbox**: HOME-AMIF-EMERGENCY@ec.europa.eu.

The team managing the EMAS under the ISF can be directly contacted via their **functional mailbox**: HOME-ISF@ec.europa.eu.

2. Glossary - definition of frequently used terms and abbreviations

Applicant/Coordinator - Co-Applicant/Co-Beneficiary: the body or organisation with legal personality submitting a request for Emergency Assistance within the scope of the AMIF/ISF is referred to as Applicant. In case the Applicant is representing several organisations that apply in partnership for the funding the Applicant is referred to as Coordinator, the other members of the partnership are referred to as Co-Applicants. The Applicant/Coordinator will be referred to as the Beneficiary/Coordinator and Co-Applicants are referred to Co-Beneficiaries once the proposal is awarded a grant and a written Grant Agreement is signed.

Authorised signatory: the authorised signatory is the person allowed to enter into legally binding commitment on behalf of an organisation.

Bank Account File (BAF): is a descriptive file containing bank details for all companies, organisations and individuals with which the Commission has financial dealings. Use of the

¹ OJ L 150, 20.05.2014, p. 168.

² OJ L 150, 20.05.2014, p. 93.

³ OJ L 150, 20.05.2014, p. 143.

⁴ OJ L 150, 20.05.2014, p. 114.

BAF is mandatory for the purposes of making automated payments. In order to create a BAF, the Coordinator has to submit a duly completed and signed Financial Identification Form when requested by the Commission. More information on BAF is available on the website of Directorate-General for Budget:

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm

Co-financing third parties: any donor organisation financing the action and not in receipt of the EU contribution. Co-financing third parties are not required to be directly involved in the technical implementation of the action; their contribution is solely financial.

DG HOME: the abbreviation used to identify the Directorate-General for Home Affairs of the European Commission.

Financial Regulation (FR): Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union.

Rules of Application (RAP): Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

International Organisation (IO): An international organisation can only be considered as such under the Financial Regulation if the following criteria are met:

- it is international;
- it is a public sector organisation;
- it is set up by intergovernmental agreements.

The specialised agencies set up by these organisations will also be considered international organisations. The following entities are assimilated to international organisations:

- the International Committee of the Red Cross;
- the International Federation of National Red Cross and Red Crescent Societies;
- the European Investment Bank and European Investment Fund.

Legal Entity File (LEF): records all third parties with which the European Commission conducts revenue and expenditure transactions. No transaction may be made for the purposes of implementing the EU budget unless it involves a legal entity that has been validated beforehand. It follows that, before a bank account can be recorded in the BAF, a legal entity must be recorded in the LEF: the bank account will be linked to that legal entity. In order to create a LEF the legal entity should provide a duly completed and signed Legal Entities Form together with the documents listed on the form itself. The mandatory template of this form and also further information on this available on the website of Directorate-General Budget:

http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm

Legal Address of an organisation is the address of the head office. The head office is the seat of the organisation indicated in its official documents.

Project/Action: At the stage of the application the terms "Project" or "Action" refer to the proposed action including the sub-actions described in the Grant Application Package. If the proposal gets selected and is awarded EU financial support in the form of an action grant the terms refer to the action described in the Annex I and Annex III of the Grant Agreement.

Public body: for the purposes of this Guide public body means any legal entity established as such by national law, and international organisations. 'Established as public body by

national law' means that the entity is (1) incorporated as a public body in the formal act of creation or recognised as public body by the national law and (2) governed by public law. However, public bodies may act and be subject to private law for some or most of their activities. A legal entity established under private law with a public service mission is not considered as a public body. Non-profit public body means any legal entity which cumulatively meets the conditions of being a 'public body' and of being a 'non-profit organisation' (see definition under Non-profit organisation).

Non-profit organisation means a legal entity which by its legal form is non-profit-making and/or which has a legal or statutory obligation not to distribute profits to its shareholders or individual members. The absence of a lucrative aim does not necessarily imply the absence of profit. The decisions of the managing board, associates, stakeholders, members or representatives of an organisation not to distribute profits to its shareholders or individual members are not considered as sufficient elements to prove the non-profit nature of an entity.

3. How to prepare and submit an application for AMIF/ISF Emergency Assistance?

3.1 Submission mode

The AMIF/ISF Emergency Assistance Grant Application Packages must be submitted directly to the European Commission on paper and in electronic format.

Address for sending the original paper version of the Grant Application Package

For AMIF:

European Commission
Directorate-General for Home Affairs
Directorate B – Migration, Asylum
Unit B.3 – Asylum, Migration and Integration Fund
Office LX46 02/114

B-1049 Brussels

For ISF:

European Commission
Directorate-General for Home Affairs
Directorate C – Schengen
Unit C.4 – Internal Security Fund
Office LX46 05/115

B-1049 Brussels

Address for sending the Grant Application Package electronically

AMIF: HOME-AMIF-EMERGENCY@ec.europa.eu

ISF: HOME-ISF@ec.europa.eu

Deadline for submission:

Requests for AMIF/ISF Emergency Assistance can be submitted anytime during the lifetime of the AMIF/ISF 2014-2020. However, the availability of funds is subject to the provisions of the AMIF/ISF Annual Work Programmes for Union Actions and Emergency Assistance and the actual availability of budgetary appropriations.

3.2 Language requirements

The Grant Application Form and all annexes may be submitted using any of the official EU languages⁵. For reasons of practical efficiency the Commission would advise using English when filling in the Grant Application Form and the other compulsory templates. Supporting documents (if necessary) are accepted in all the official EU languages. Applicants may submit a translation of these documents but it is not mandatory.

3.3 The Grant Application Package

3.3.1 Grant Application Form

The reference number of the application is provided by the DG HOME services upon receipt of the official Grant Application Package. This reference number will be used during the entire lifecycle of the project from the application phase through implementation in case the project is retained for support.

Section 1. Information concerning the Applicant/Coordinator organisation

This information will be used when verifying the eligibility of the Applicant/Coordinator and concluding the Grant Agreement if the proposal is retained. It is therefore very important to provide the official legal name of the Applicant/Coordinator. This shall be the same name as in the official document describing the legal status of the organisation.

Only the names of organisations with legal personality can be indicated here. For example, an initiative or a network, which is run by the Applicant/Coordinator but has no legal personality, is not acceptable. Data entered in this field should refer to the Applicant/Coordinator as an organisation and not to the Authorised signatory or the Contact person.

Section 1.2. Authorised signatory legally representing the Applicant/Coordinator organisation

This person should be authorised to enter into financially and legally binding commitments on behalf of the Applicant/Coordinator organisation. Please note that the Commission may request a copy of the authorising decision. If the proposal is awarded a grant, the Commission services will automatically prepare the Grant Agreement for the signature of the person named under this section, unless otherwise notified.

Section 1.3. Contact person responsible for the application

All communication related to the application, even if addressed to the Authorised signatory legally representing the organisation, will be sent to the Contact person using the contact address (address for correspondence) indicated under section 1.3. For electronic communication the Commission will use the e-mail address indicated under section 1.3.4. When preparing the Grant Agreement the Commission services will automatically indicate these contact details in the Grant Agreement, unless otherwise notified.

The Commission shall contact the Applicant/Coordinator should a need for clarification or information arise during the evaluation of the project. Such contact will be initiated per e-mail via the Contact person's e-mail address indicated in this section of the Grant Application Form. Therefore, please make sure that the e-mail address of the Contact person is correct and checked regularly.

⁵ http://ec.europa.eu/languages/languages-of-europe/eu-languages_en.htm

Sections 2. – 5.

Please follow the instructions indicated in the Grant Application Form.

Section 6. Budget

Under this section of the Grant Application Form you should present the overall budget estimate of the action. The amounts indicated here should be identical to the ones indicated in the Sheet Forecast Budget Calculation of the Budget Form. Therefore, we suggest that you fill in these fields only after you have completed and finalised the Budget Form.

Section 7. Declaration by the Applicant/Coordinator organisation

The Declaration by the Applicant/Coordinator is an integral part of the Grant Application Form. This declaration is a binding commitment on behalf of the Applicant/Coordinator organisation.

The completed Grant Application Form has to be printed, duly signed and dated by the Authorised signatory legally representing the Applicant/Coordinator organisation.

3.3.2 Budget Form

The Budget Form presenting the Budget Estimate for the action is a compulsory annex that has to be submitted as part of the Grant Application Package using the mandatory template provided by DG HOME. The Budget Form is an Excel Workbook document that must be used through the entire life cycle of a project (application, evaluation, selection for funding, implementation, final reporting). The Budget Form consists of six worksheets:

Sheet 1- Identification Form (ID Form)

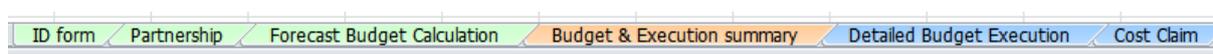
Sheet 2- Partnership

Sheet 3 - Forecast Budget Calculation

Sheet 4 - Budget & Execution Summary

Sheet 5 - Detailed Budget Execution

Sheet 6 - Cost Claim



Sheets 1, 2 and 3 (green sheets) and Sheet 4 (orange sheet) must be used in the **application phase**, whereas Sheets 5 and 6 (blue sheets) will be used in the final reporting phase.

To submit the Grant Application you will need to fill out Sheets 1, 2 and 3 (green sheets) – Sheet 4 (orange sheet) is filled automatically - print and attach them to the Grant Application Form in their original format. The Budget Estimate will be considered as integral part of the application for Emergency Assistance therefore does **not have to be signed separately when you submit the Grant Application Package on paper.**

Please do not change the format of the Excel file and do not print and scan this document for the purpose of **submitting it electronically**. When sending your Grant Application Package per e-mail please send the Budget Form as an Excel file.

The Budget Forecast on Sheet 3 'Forecast Budget Calculation' shall be presented in **EURO**.

Functions inserted

As the Budget Form is an Excel workbook, all the functionalities and constraints related to this type of document are applicable.

- Protected fields:

Where necessary, the fields on a sheet are or the entire sheet is write-protected. You may enter data only in the fields that you are supposed to fill in. If you try to modify a locked cell you will receive a request for a password. Please note that the locking is intentional and you do not need to unlock the template and insert a password to fill in the table properly.

As a general rule, only the fields with a white background are to be filled in. Sheet 4 "Budget & Execution summary" is protected as a whole to ensure the integrity of the data and formulae, i.e. it is inaccessible for editing.

The other sheets are not fully protected and therefore Applicants are urged not to remove or modify the formulas, especially in the yellow areas as this can impact the calculation functionalities!

- Use of filters:

Each column on Sheet 3 and Sheet 5 has a filter, which allows you to filter the entries (using the relevant arrow inserted in the title line). Filtering under multiple parameters is possible by using the filter-buttons of more than one column. Please note that the box **Subtotal of selected entries** on the top of the column H on Sheet 3 is activated only if you use the filter and it indicates each time the total amount of the filtered/selected entries.

- Use of sorting from A-to Z or Z to A:

The locking parameters of Sheets 3 and 5 prevent the use of the sorting function.

- Use of functions: Copy-paste, Cut-paste, Insert line, delete line

Only the upper parts of the Sheets 3 and 5 are locked and this allows you to copy, cut, insert and delete lines and cells. While using these functions (especially the cut-paste and insert), please note that the calculation formula in the column **Total EURO** (yellow area) is not reproduced in the new line. It is your responsibility to ensure that the calculation remains correct.

- Printing of the Budget:

Please check the settings of the print area before you print the worksheets of the Budget Form.

- Use of rounding

When inputting the forecasted amounts in the Sheet 3 make sure that the amounts you enter are rounded to two decimals (i.e. corresponding to XX EUR and XX EUROCENTS) and that there are no hidden decimals. Please note that the cells are set up to show two decimals only but the amounts are not rounded automatically.

Sheet 1 "Identification Form - ID form"

This Sheet serves to summarise the basic information on the Applicant/Coordinator's identity and the action. You are invited to introduce the requested information in the white cells. The yellow cell (I27) is write-protected and will be automatically filled in using the data from the Sheet 1 once all the required information has been introduced.

Sheet 2 "Partnership"

The *legal name of beneficiary/coordinator*, i.e. of the Applicant/Coordinator organisation which will be coordinating the action(s), is automatically filled out on the basis of the

information provided in the relevant cell of Sheet 1 "ID form". Please indicate the country where the Applicant/Coordinator organisation is legally established.

The Co-Applicants are referred to as Co-beneficiaries in this form. Please list the Co-Applicants, and indicate the country where each Co-Applicant is legally established.

Sheet 3 "Forecast Budget Calculation"

The Budget Forecast should be presented on that sheet when you submit your application. This sheet should contain descriptions of the activities as taken from your Grant Application Form and corresponding items of expenditure. You should include all specific costs that are necessary for the implementation of the action and meet the eligibility criteria described below.

Expenditure items that are not eligible for co-funding shall not be included.

It should also include all sources of income, both the amounts contributed by the Applicant/Coordinator and Co-Applicants and the funds contributed by any other third party (if applicable).

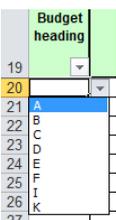
Please be as precise and detailed as possible when presenting the Budget Forecast – the quality of the information provided in this Sheet is crucial in assessing your application.

Overview tables: Estimated Expenditure and Estimated Income

The cells in lines 1-19 are write-protected. The information in cells D3 to D15 presenting the total sum of the costs and income will be filled in automatically once you entered all the necessary information from line 20 onwards.

The box **Subtotal of selected entries** (row 18; Column H) does not show the total cost of the action. It is activated only if you use the filter under a column and it indicates each time the total amount of the filtered/selected entries.

Column A – Budget Heading



Each cost or income item should be introduced in a new line. When introducing a new cost or income item first you need to identify the appropriate Budget Heading. A drop-down menu helps you to fill out this Column A - Budget Heading (letters A-F for costs and I-K for income, as indicated in the overview section above). Each cost or income should be classified under one of these categories.

Please note that no Budget Heading letter is indicated for the amount of EU contribution; you cannot specify yourself the amount of EU contribution that you request. The table calculates it automatically on the basis of the estimated costs and estimated income that you present in the table.

The Column A Budget Heading has an inbuilt reminder to ensure that it is filled out: if an amount is foreseen in the Column H - Total EURO, the relevant cell in the Column A Budget Heading will turn red and it will remain red until the relevant letter (A, B, C, D, E, F, I, K) is filled out in the Column A Budget Heading.

							Subtotal or selected entries	
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	
19								
20	Ministry of Interior	Activity 1	Travel from A to B - 2 persons	flight	350,00	2,00	700,00	

Column B – Name of Beneficiary

In the Column B – Name of Beneficiary you should allocate each item (i.e. each line, i.e. each cost or income) to one organisation.

Cost: Each cost may be allocated to only one organisation: the one that will incur this cost. It should be the organisation that will pay for this cost and will include this cost in its official accounts. It may be either the Applicant/Coordinator or one of the Co-Applicants.

Income: For each source of income, the co-financing organisation should be indicated. It may be either the Applicant/Coordinator or one of the Co-Applicants. If the income originates from a third party donor organisation, please indicate the name of this donor organisation in Column D only and under Column B – Name of Beneficiary indicate the name of the organisation who will actually book the income.

Please make sure that every time you refer to an organisation you use the same name/same spelling/same abbreviation) throughout the document. If you are consistent in this reference, then you will be able to benefit from the filter in this column and you will be able to select and review easily all entries that refer to this organisation.

Column C – Activity

Costs: The column Activity should indicate the relevant Activity to which the cost is linked. You should provide a brief description of each activity as mentioned in the Application Form.

Coordination and management costs, as well as costs that are linked to the general implementation of the action (rather than to a specific activity) and indirect costs (F - overheads) should be labelled "**Horizontal**".

Income: When entering an item referring to an income (Budget Headings I or K), you should NOT indicate any activity. Incomes should be labelled "**Income**".

Column D – Description of item i.e. Who? What?

Costs: In the column Description of item you should provide a concrete description of each cost item. The estimated budget aims at providing clear financial information, and this column should therefore not be filled out referring vaguely to activities, but each entry should be a very specific cost.

Income: Please give additional information on the sources of income. Especially in case that you foresee under heading I income to be generated by the activities of the action, you should provide details on the type of income and the way of calculation of the total amount.

If Column D does not provide sufficiently detailed justifications, the Commission may reject or reduce the foreseen costs.

Column E – Unit (days, persons, DSA, etc.)

Please provide here the actual unit.

Column F – Amount per unit in EURO

Please note that all amounts should be indicated with maximum two decimals: 1.235,56. You should not use calculations. Please note the examples presented below:

CORRECT Presentation

Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO
A	Ministry of Interior	Activity 1	Salary costs of XY (40% of a full time position)	working day	80,45	15,00	1.206,75

INCORRECT Presentations

Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO
A	Ministry of Interior	Activity 1	Salary costs of XY (40% of a full time position)	working day	80,45	15,00	1.206,78

Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO
A	Ministry of Interior	Activity 1	Salary costs of XY (40% of a full time position)	working days	80,452	15,00	1.206,78

Column G – Number of units

In these columns, you should present a detailed calculation of the cost with reference to the appropriate unit. As a general rule, lump sums should be avoided.

Column H – Total EURO

In order to facilitate your work, cells in this column contain a formula for the calculation of the total amount (Amount per unit in EURO x Number of units). Please note that this formula is not protected and it may be deleted. In this case please note that it is your responsibility to ensure that the total amount per item (i.e. line) as stated in this cell is calculated correctly. **Therefore, you should be very careful not to delete the formula in the column 'Total EURO' while encoding your data into the table.**

Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO
						1,00	0,00
						1,00	0,00

Column I – Additional information

You may provide here any necessary additional information in order to provide more clarifications.

Sheet 4 "Budget & Execution Summary"

This Sheet is write-protected. The calculations in Sheet 4 are made automatically on the basis of the entries in Sheet 3 "Forecast Budget Calculation" and you cannot enter data directly. Therefore, it is very important to avoid errors when encoding the data. If you see the error message #VALUE! or #REF! in any of the cells of Sheet 4 please verify your entries on Sheet 3 "Forecast Budget Calculation".

This is a multipurpose sheet. It is used at the application and project closure stage as well. In this overview, the amounts are automatically calculated and consolidated by Budget Heading/Item. It provides the amounts of the estimated, declared, eligible and accepted expenditure. It also enlists the estimated and declared income. It further shows the final calculation of the amount of the grant and the final payment or reimbursement.

The parts of the table coloured blue and orange are not relevant at the application stage. They will be used for the final reporting and for the calculation of the final grant, only if your project is awarded a grant. They should remain unchanged at the application stage. Please verify that this summary sheet is correctly filled in before attaching the Budget Form to the Grant Application Form. If you see any amounts other than "0,00" in the columns Declared Expenditure or Total eligible expenditure please go to Sheet 5 "Detailed Budget Execution" and delete the amounts you entered.

Only the part of the table coloured green is relevant for the application stage. This part is a mirror of the summary table on top of Sheet 3 "Forecast Budget Calculation".

Sheet 5 "Detailed Budget Execution" & Sheet 6 "Cost Claim"

These Sheets (coloured blue) are not relevant at the stage of application. You should not fill out these Sheets at the stage of application, but please remember that these sheets will be used for reporting and the final calculation of the grant, if your proposal gets awarded a grant.

3.4 Rules concerning eligibility of costs and acceptable income

In the Budget Forecast the Commission will only accept costs that can be accepted as eligible at the end of the action. Therefore, under this section you will find the detailed description of the rules on eligibility of the expenditure starting with the general principles followed by the detailed rules on the individual cost categories if applicable.

3.4.1 General principles concerning eligible costs

Eligible costs of the action are costs which meet the following criteria:

- a) they are **actually incurred** by the Beneficiary of the grant (i.e. the Beneficiary/Coordinator or the Co-Beneficiaries. Therefore, only those costs should be indicated in the Budget Forecast that will be incurred directly by the Applicant/Coordinator or the Co-Applicants);

- b)** they are incurred **during the implementation period of the action** (duration of the action) with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents.

The project implementation period (i.e. the period of eligibility of costs) will be agreed during the procedure leading to the conclusion of the Grant Agreement and will be set out in Article I.2.2 of the Agreement.

In principle the implementation period should be scheduled to start after the Grant Agreement is signed. In line with Art 130 of the FR a grant may be awarded for an action which has already begun provided that the Applicant can demonstrate the need to start the action prior to the signature of the Grant Agreement.

In line with the provisions of Article 7 of Regulation (EU) No 514/2014 and in case of non-fully completed actions, AMIF/ISF Emergency Assistance may support expenditure which was incurred prior to the date of the official submission of the Grant Application Package or the notification of a request for Emergency Assistance when necessary for the implementation of the action, **but under no circumstances prior to 1 January 2014**. However, no grant may be awarded retroactively for actions already completed.

The costs relating to **services, goods or equipment** supplied in order to carry out the action may be invoiced and paid after the action has been completed (i.e. the agreed eligibility period set out in the Grant Agreement), provided that the service, good or equipment were supplied and put in use during the lifetime of the action and that this is indicated on the invoice and can be verified. It is recommended to obtain the invoices (with clear indication when the delivery of service, good or equipment was done) from suppliers as soon as possible but in any case within the time period foreseen for the preparation of the final report.

- c)** they are indicated in the estimated budget (i.e. the Forecast Budget) of the action annexed to the Grant Agreement (Annex III of the Grant Agreement);
- d)** they are incurred in connection with the action as described in Annex I of the Grant Agreement and are necessary for its implementation;
- e)** they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the organisation in question;
- f)** they comply with the requirements of applicable tax and social legislation; and
- g)** they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

The Beneficiaries' accounting and internal auditing procedures must permit a direct reconciliation of the costs and revenue declared in respect of the action with the corresponding accounting statements and supporting documents.

EU funding may not in any circumstances produce a profit for the Beneficiaries. Profit shall mean any surplus of total actual receipts attributable to the action over the total actual costs of the action (see Article II.25.3 of the Grant Agreement).

3.4.2 Ineligible costs

In addition to any other costs which do not fulfil the conditions set out under point 3.4.1 above, the following costs shall not be considered eligible. Therefore, they will not be taken into account in the final calculation of the grant and must not be included in the Budget Forecast at the application stage or in the Detailed Budget Execution at reporting stage:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a Beneficiary;
- costs declared by a Beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary who already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind;
- excessive or reckless expenditure;
- Value Added Tax – VAT, when the activities to be supported through the grant fall within one of the following categories:
 - o taxed/exempt activities with right of deduction;
 - o activities engaged in by the Beneficiary, where it is a State, regional or local government; authority or another body governed by public law, acting as a public authority in the exercise of sovereign powers or prerogatives exercised by Member States, under the special legal regime applicable to them in line with Art. 13.1 of the Council Directive 2006/112/EC.

3.4.3 Eligibility of VAT for beneficiaries acting as public authorities

As mentioned above, VAT is not eligible when the activities to be supported through the awarded grant are activities engaged in by a Beneficiary acting as a public authority in the exercise of sovereign powers or prerogatives exercised by Member States.

Activities engaged in by the Beneficiary as a public authority are activities carried out by public bodies under the special legal regime applicable to them (i.e. the applicable national legislation of the Member State provides that those activities are in the exclusive responsibility of public law bodies and cannot be carried out by other (private) bodies), thus not including activities pursued by them under the same legal conditions as those that apply to private economic operator. These activities may relate to the powers of police, customs, taxes, definition and enforcement of public policies etc.

Due to the character of emergency actions it is assumed that the activities to be supported through the awarded grant are likely to fall under the exercise of sovereign powers or prerogatives. If this is not the case, it is for the applicant Member State to provide justification.

If the Applicant/Coordinator or a Co-applicant is a public entity, you should identify in the Sheet 3 - Forecast Budget Calculation of the Budget Form any cost items you consider as incurred in the framework of activities engaged in as a public authority (with the consequence that VAT is ineligible and should not be included in the cost). This should be indicated in the column “Additional information” for the relevant cost items (with the mention: “public authority”). Please note that, since only the supply of goods and services can be subject to VAT, this is only relevant for those cost categories which imply procurement from your side, e.g. costs of travel, of equipment, of consumables and supplies, etc.

It should be noted that the Commission may request to be provided with the extract of the national legislation showing that the corresponding activities are not to be considered as activities of public authorities.

3.5 Expenditure headings

Eligible DIRECT COSTS

"Direct costs" of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs. In particular, the following categories of costs are eligible direct costs, provided that they satisfy the conditions of eligibility set out under section 3.4.1 **General principles concerning eligible costs** above as well as the following conditions:

3.5.1 Heading A - Staff costs

Eligible costs are the costs of personnel working under **an employment contract (labour law contract)** with the Applicant/Coordinator or the Co-Applicant or an equivalent appointing act proving the assignment to the project (typically in case of public authorities).

Staff costs shall be detailed in the Forecast Budget, indicating:

- function of the staff,
- the activity carried out by the staff, and
- number of days they are going to work on a specific activity related to the project.

In the sheet "Forecast Budget Calculation", **for each staff member you should indicate/encode,**

- in column A (Budget Heading) the letter **A**;
- in column B (Name of beneficiary) which organisation (Applicant/Coordinator of Co-Applicant) will incur the expenditure;
- in column C (Activity) a clear reference to the activities listed in the Grant Application Form;
- in column D (Description of item) his/her specific function in the project;
- in column E (Unit) - **"days"**
- in column F (Amount per unit) the **daily rate** of the person;
- in column G (Number of units) the **number of days** allocated to that person for the activities described in the column D (description of item).

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
A	ABC	0.1.2.3	Project coordinator (supervision of project)	days	350,00	80,00	28.000,00	
A	ABC	0.1.	Project assistant (financial reporting and administrative support)	days	180,00	60,00	10.800,00	
A	DEF	2.3	Social Worker	days	175,00	110,00	19.250,00	
A	GHI	2.3	Legal counsellor	days	225,00	90,00	20.250,00	
A	ABC	2.3	Linguistic mediator	days	195,00	95,00	18.525,00	

Staff costs relating to public officials are not eligible if they relate to periods when the personnel concerned are doing their "normal routine", i.e. **work which they would be doing whether or not the project had been implemented**. Such work shall be considered as in-kind contribution and therefore not eligible.

The Coordinator and the Co-Applicants must be ready to provide documents to support any entries under this Heading (employment contract with staff members, payrolls, ledgers, official document on employer's charges), to prove that there is indeed a cost generated by an additional activity (for public officials).

3.5.1.1 Daily rate calculation

Daily rates for staff should be calculated as follows:

Actual annual personnel costs (annual employment cost comprising salary plus statutory employer's contributions - social security, health insurance, direct taxes etc. - but exclusive of bonuses, incentive payment and fringe benefits) divided by the number of annual productive days.

The annual employment cost shall be in line with the Applicant/Coordinator's or Co-Applicant's **usual practice** on remuneration. Applying specific (higher) rates to individuals working on EU-funded projects is strictly prohibited and will not be accepted.

The number of annual productive days shall be calculated as follows:

- **220 days** for a person working full time (or corresponding pro-rata for persons not working full time)

or

- the total number of days worked by the person in the year for the beneficiary, calculated as follows: annual workable days of the person according to employment contract plus overtime worked (if allowed by contract) minus absences.

3.5.1.2 In house consultants

Employment of natural persons who join the project team but are employed by the Applicant/Coordinator or the Co-Applicant indirectly under a different contract than an employment contract (labour law contract) may be necessary for the implementation of the project. These project team members are referred to as "**in-house consultant**" for the purpose of this Guide.

As the in-house consultants are typically paid through an invoice, the costs arising from their involvement are in principle to be considered as costs relevant to implementing contracts (i.e. subcontracting) and should be indicated under Budget Heading E. However, these costs may be considered as staff costs, and therefore appear under Budget Heading A, regardless of whether the consultant is self-employed or employed by a third party, if the following cumulative conditions are fulfilled, subject to compliance to general principles concerning the eligibility of costs:

- the Applicant/Coordinator or the Co-Applicant has a contract to engage the consultant to work for it and that work involves explicitly tasks to be carried out in relation to the project funded by the grant;
- the consultant must work under the instructions/supervision of the Applicant/Coordinator or the Co-Applicant;
- unless otherwise agreed with the Applicant/Coordinator or the Co-Applicant the consultant must work in the premises of the Applicant/Coordinator or the Co-Applicant as a member of the project team;
- the output of the work belongs to the Applicant/Coordinator or the Co-Applicant;
- the costs of employing the consultant are reasonable, are in accordance with the usual practice of the Applicant/Coordinator or the Co-Applicant and are not comparable to the personnel costs of employees of the same category working under an employment contract (labour law contract) for the Applicant/Coordinator or the Co-Applicant;
- travel and subsistence costs related to the participation of the consultant in project meetings or other travel relating to the project is directly paid by Applicant/Coordinator or the Co-Applicant;
- the consultant uses the beneficiary's infrastructure (i.e. user of the 'indirect costs').

The contract signed with these in-house consultants must specify the **exact number of days** the person should work for the project and if applicable contain amounts and/or provisions on the compensation paid in relation to travel costs, attendance at meetings and participation in activities, etc. (typically reimbursement of travel costs). For further guidance on the supporting documents which may requested by the Commission at project closure, please see section 7.3.5 of the Guide.

Regular staff members of the Applicant/Coordinator or the Co-Applicant (staff members employed via an employment contract (labour law contract) shall only be considered under that category if it can clearly be demonstrated that contract covers tasks that are beyond the scope of the regular employment contract of the employee and if the national legislation allows such arrangements. **Any such arrangement should be indicated in column D (Description of item) in the Budget Forecast sheet.**

3.5.1.3 Timesheets

All staff members shall be allocated to the project on the basis of a clear and verifiable method. They must fill in timesheets showing the days worked for the tasks related to the project. The timesheets must allow adequate verification by the Commission. For further guidance on how to fill in timesheets and present them at project closure (if specifically required by the Commission), please see section 7.3.1 of the Guide.

3.5.2 Heading B - Travel

As a general rule, travel costs should be reimbursed following the usual practice/internal rules of the organisation incurring the cost.

Travel costs are made of two components: travel and subsistence.

In the sheet "Forecast Budget Calculation", for all the travel costs planned within the project, both by project staff and other persons involved in the action **you should indicate/encode**,

- in column A (Budget Heading) the letter **B**;
- in column B (Name of beneficiary) which organisation (Applicant/Coordinator of Co-Applicant) will incur the expenditure;
- in column C (Activity) a clear reference to the activities listed in the Grant Application Form;
- in column D (Description of item) the person travelling (e.g. expert, project manager, etc.), the destination and the purpose of the travel and any other relevant detail;
- in column E (Unit) – the unit (e.g. flight, DSA, etc.);
- in column F (Amount per unit) the estimated cost of the travel;
- in column G (Number of units) the number of units corresponding to the type of the expense

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
B	ABC	2	Project coordinator's 3 monitoring visits to centre www 1 day - 1 night	DSA	200,00	6,00	1.200,00	
B	DEF	2	Project coordinator's travel costs from xx to centre www	flight	220,00	3,00	660,00	
B	DEF	2	Legal counsellor's 4 visits to centre www 2 days - 1 night	DSA	200,00	6,00	1.200,00	DSA reduced by 50% for second day
B	GHI	2	Legal counsellor's travel costs from xx to centre www	flight	190,00	4,00	760,00	
B	subcontractor	3	Social worker's 6 visits to yy centre 1 day - no overnight	DSA	200,00	6,00	1.200,00	
B	subcontractor	3	Social worker's travel costs from xx to yy centre	train	178,00	6,00	1.068,00	

3.5.2.1 Travel costs

Any travel to places other than those where the members of the partnership are located or the project is implemented must be demonstrated to be relevant to the project. It is required to use the most cost-effective means of travel, and to make every effort to use the most economical fare.

The following thresholds should be applied when planning the estimated cost:



For the purpose of filling in the Budget Estimate you are advised to use max EUR 450 as indicative amount per return flight unless a higher amount is justified. Only economy class travel is allowed.



Expenses for travel by train shall be reimbursed, on the basis of actual costs, at the rate equivalent to a 1st class ticket, except for high-speed train connections, where only travel in economy class must be charged to the project, unless it can be demonstrated that the flight costs for the same journey in economy class would be equal or higher to the costs of the 1st class ticket.



Expenses for travel by car, where substantiated and where the price is not excessive, may be refunded as follows:

- a) For the private vehicle of the project staff member and for service vehicles owned by the Coordinator or Co-Applicant: on the basis of the declaration of the person travelling, with the maximum amount of refund being the 1st class rail fare (the price of one ticket only will be reimbursed, regardless of the number of people travelling in the same vehicle). Applicants may opt to reimburse the costs on the basis of their internal rules on reimbursement per km. In that case, these internal rules may be requested by the Commission.
- b) For hired cars (maximum category B or equivalent): the actual cost, when this is not excessive by comparison with other means of transportation.



Expenses for travel by bus are eligible; rental or hire of a bus should be encouraged, if it is a more economical option than individual travelling arrangements of the project staff members. For example, a large number of persons needing to move from one location to another together, or the location of an activity cannot be reached using regular public transportation, etc. If the bus is used for transporting participants to and from the airport the daily subsistence has to be deducted accordingly.

3.5.2.2 Subsistence

Subsistence costs shall include all costs incurred by the person travelling during the travel, such as:

- costs for accommodation
- all meals: breakfasts, lunches, coffee breaks, dinners, refreshments
- local transportation at the destination (costs of travel by taxi and local public transport)
- other expenses, especially telecommunication charges (internet, telephone, fax, etc.)
- costs of travel from/to the airport/train station at the destination of the journey and the point of origin;
- parking fees.

The project Coordinator or the Co-Applicants can choose one of the following methods to reimburse subsistence costs to the person travelling:

- the beneficiary's usual practices, be it on the basis of a daily subsistence allowance (DSA) or on the basis of real incurred costs; in case DSA is used, if meals or other expenses are offered/provided for, the DSA has to be reduced accordingly;

or

- in the absence of internal practices, on the basis of actual costs incurred (hotel invoice, bus ticket, restaurant bill, etc.).

In either case, the subsistence costs are not eligible above the amounts indicated in the following website: http://ec.europa.eu/europeaid/diem-rates-applied-contracts_en

In order to avoid possible abuses, reimbursement in cash of the subsistence costs is to be avoided and bank transfer must be favoured.

3.5.3 Heading C – Equipment

In the sheet "Forecast Budget Calculation", for all the costs related to the purchase of equipment planned within the project, **you should indicate/encode,**

- in column A (Budget Heading) the letter **C**;
- in column B (Name of beneficiary) which organisation (Applicant/Coordinator of Co-Applicant) will incur the expenditure;
- in column C (Activity) a clear reference to the activities listed in the Grant Application Form;
- in column D (Description of item) details on the item to be purchased, on VAT and on the depreciation applied (see below dedicated paragraph);
- in column E (Unit) the unit;
- in column F (Amount per unit) the estimated total cost of the equipment item;
- in column G (Number of units) the number of items to be purchased.

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
C	ABC	1	Mobile shelter for assistance at landing	piece	1.500,00	3,00	4.500,00	activity as public authority - VAT not included
C	DEF	3	Fingerprint reader	piece	2.000,00	2,00	4.000,00	VAT included
C	ABC	1	Iron bed with mattress	piece	138,30	600,00	82.980,00	VAT included

As a general rule purchase cost of equipment (new or second-hand) may be considered eligible direct cost, 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. Such costs are eligible for co-financing on the basis of the full or partial cost of the purchase.

Under this section only the equipment (new or second-hand) necessary for activities that are directly linked to the project can be indicated. Costs relating to the acquisition of equipment, whether by purchase, leasing or rental, shall only be eligible if such acquisition is strictly necessary for the performance of the project activities.

Applicants and Co-Applicants must clearly demonstrate why equipment has to be purchased, rented or leased to carry out the project activities. Furthermore, they have to compare prices of different suppliers to see who offers the best value for money (taking both price and quality into account).

The **costs of office equipment necessary for the management of the project** can only be taken into account as part of the overhead costs. Therefore, the costs of furniture, standard office IT equipment (printers, laptops, PCs together with the standard operating systems and normal office software, software for telecommunication), photocopiers, fax machines,

cameras, video cameras, telephones, mobile phones and phone accessories are covered under Heading F - Indirect costs unless duly justified.

Rental/lease

The decision on whether to opt for leasing, rental or purchasing of hardware or equipment must be based on the principle of best value for money. Applicant or Co-Applicants must contact several suppliers in order to obtain the most economical terms. If it is decided to opt for rental or leasing, the cost of any buy-out option at the end of the lease or rental period shall not be eligible, and costs are only eligible for the period of the project.

Land and immovable property

Costs of purchase of land and immovable property are not eligible. Renting of premises may only be included if it is directly linked to the implementation of the project, such a cost can be accepted as a direct cost. It will have to be documented by a specific rental contract/lease within the project duration. When filling out costs for land and immovable property in the Budget Forecast, you should indicate the duration of the rent (in months/days) and use the respective unit to calculate the cost. The direct link to the project implementation should also be presented.

Applicants can only charge against the project costs for equipment purchased, rented or leased during the contractual project period, at a rate that reflects the degree and duration of use within that period.

If leasing or renting is not possible, purchase is acceptable subject to the following conditions:

- only costs related to depreciation of the equipment can be taken into account when calculating the total eligible costs of the project;
- national rules or usual accounting practices of the beneficiary should be applied when calculating the depreciation;
- only the portion of the equipment's costs corresponding to the implementation period and the rate of actual use for the purposes of the action may be taken into account;
- all costs may include VAT only if VAT is eligible - see VAT rules specified in sections 3.4.2 and 3.4.3;
- a comparison of the prices of different suppliers to see who offers the best value for money (taking into account price and quality) has been made.

Equipment costing up to EUR 2.000 shall not be subject to depreciation or pro-rata use.

Acceptance of 100% of the equipment costs can be allowed on a case-by-case basis subject to a positive evaluation of the application. In these cases, the equipment should continue to be used for the same objectives pursued by the project, after the project has ended, for the minimum duration of:

- three years or more for Information and Communication Technology (ICT) equipment specifically related to the action⁶, such as for instance IT equipment necessary for border surveillance;
- five years or more for other types of equipment such as operating equipment and means of transport.

⁶ Standard office IT equipment is covered under Heading F - Indirect costs.

In case of renovation/reconstruction of real estate:

- the real estate is to be used solely for the purpose stated in the project for a period of at least 10 years after the end date of the project unless the Commission specifically authorises otherwise in the case of co-financing of the full or partial costs; in the case of co-financing on the basis of depreciation this period is reduced to 5 years;
- in the case of co-financing on the basis of depreciation, only the portion of the depreciation of these assets corresponding to the duration of use for the project and the rate of actual use for the project is eligible; depreciation shall be calculated according to national accounting rules.

Costs will not be eligible if the equipment was purchased prior to the start of the period of eligible expenditure indicated in the Grant Agreement. The equipment purchased must be itemised in the organisation in which it is installed and bear an inventory number.

For each equipment item you should indicate which Beneficiary (column B) will incur the expenditure and indicate in column C (activity) a clear reference to the activities listed in the Description of the action form. Column D (description of item) must include details on the item to be purchased, on VAT and on the depreciation applied (see below dedicated paragraph). Column F (amount per unit) should indicate the total cost of the item and column G (number of units) the number of items to be acquired.

Examples

1. The project duration is 7 months and the equipment is used 50 % for the project for 3 months.

Purchase price excl. VAT	Costs/ month	Use for project purposes	Eligible amount of depreciation for the project
€10.000,00	10.000,00 / 36 months= € 277,77	277,77* 50%= € 138,88	138,88 * 3 months= € 416,65

2. The project duration is 7 months and the equipment is used 100 % for the project for less than 7 months, for example 5 months.

Purchase price excl. VAT	Costs/ month	Use for project purposes	Eligible amount of depreciation for the project
€10.000,00	10.000,00 / 36 months= € 277,77	277,77 * 100%= € 277,77	277,77 * 5 months= € 1388,85

If the life expectancy of the equipment is considered to be **three years**, the depreciation costs/month shall be calculated by dividing the acquisition cost of the equipment by 36 months and then adjusted by the rate of usage for the purposes of the project.

3.5.4 Heading D – Consumables

Only costs for consumables directly linked to the project and relating to specific and clearly identifiable activities should be encoded as E (under column A).

Example

A Budget heading	B Name of Beneficiary	C Activity	D Description of item i.e. Who? What?	E Unit (days, persons etc.)	F Amount per unit in EURO	G Number of units	H Total EURO	I Additional information
D	ABC	1	Mattress protective cover	piece	35,00	600,00	21.000,00	VAT included
D	ABC	2	first aid kit of medical assistance at landing	kit	350,00	45,00	15.750,00	VAT included
D	GHI	2	personal protective equipment for health emergency/alert	item	100,00	140,00	14.000,00	VAT not included

Any costs for consumables listed in the Budget Forecast should be calculated using the appropriate unit and the direct link to the project activities must be presented. Consumables

and supplies must be exclusively used for the purpose of the project. A detailed breakdown must be provided as lump sums are not allowed.

Consumables may include equipment, which is used up in the course of the action.

Consumables related to conferences and seminars must not be included under this Heading. They have to be accounted for under Heading E - Other direct costs and included in the conference package.

As a general rule costs such as office stationery (pens, paper, folders, ink cartridges etc.), electricity supply, telephone and postal services, Internet connection time, office software, office furniture etc. are to be considered as indirect costs (see Heading F – Indirect costs) unless the aim of the activities for which the Emergency Assistance is requested for is to set up administrative structures. In that case the Budget Forecast may include such costs and these costs can be accepted as eligible if the general eligibility conditions for costs are met.

3.5.5 Heading E - Other direct costs

Costs charged to this Budget Heading **should be encoded as E (under column A)** and should include any other cost directly linked to specific and clearly identifiable activities during the implementation of the project not covered by any other Headings (e.g. conferences and seminars, publication and dissemination, subcontracting)

To ensure that the costs estimated in the Budget Forecast are realistic, the Commission reserves the right to request, at any stage, supporting documents, like price offers received or market study for the intended purchase/service.

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
E	ABC	3	Printing: 1000 copies of deliverable D3 (4 pp.) in EN	page	0,60	1.000,00	600,00	subcontracting - based on quote
E	ABC	2	Interpretation services - daily fee	days	100,00	20,00	2.000,00	
E	DEF	1	Legal adviser to work on deliverable D2	fee	1,00	5.000,00	5.000,00	subcontracting - based on quote
E	GHI	3	Social Worker	monthly fee	2.000,00	12,00	24.000,00	subcontracting - based on quote

Costs charged to this category must:

- not be covered by any other Budget Heading;
- be necessary for the proper performance of the project activities;
- not involve any fundamental change in the scope and content of the work;
- be clearly identifiable - no lumps sums;
- respect the eligibility conditions of the Guide for Applicants.

Provided that they meet the above criteria, typical expenses under this category may include:

- charges for financial services in specific contexts (charges for bank guarantees and transfers). Cost relating to a pre-financing guarantee lodged by the beneficiary where the guarantee is required by the Grant Agreement. Interest charges and insurance against exchange losses, as well as exchange losses, are not eligible;
- other costs stemming from obligations under the Grant Agreement (reports, translations, certificates, specific evaluations of the project's implementation, if agreed or requested by the Commission, etc.);
- costs for the certificate(s) on the action's financial statements and underlying accounts to be submitted at the final reporting stage together with the request for payment, as set out in Article 23.2 (d) of the Grant Agreement. Each beneficiary (Coordinator and Co-beneficiary) with eligible direct costs exceeding EUR 750.000 (for AMIF) or EUR

100.000 (for ISF) should provide this external audit certificate. The auditing entity must be an approved auditor or, in case the beneficiary is a public body, a competent and independent public officer. Applicants should include in their estimated budget the costs for such certificates (model in Annex VII of the Grant Agreement);

- or the costs of subcontracting (service contracts, consultancy, fees, etc.);

Subcontracting

Subcontracting refers to the execution by a third party, to which a procurement contract has been awarded by one or several Beneficiaries, of specific parts or components of the projects.

Subcontracting does not refer to "implementation contracts", i.e. the procurement of ordinary services needed to carry out the projects (e.g. printing, interpretation, etc.), which do not imply any externalisation of activities included in the action described in the proposal.

Subcontracting costs can be eligible at the following conditions:

- they may only cover the execution of a limited part of the action;
- recourse to the award of contracts must be justified in section 5 of the Grant Application Form having regard to the nature of the action and what is necessary for its implementation;
- the tasks concerned must be set out in section 3 of the Grant Application Form and the estimated costs of subcontracting must be clearly identifiable in the Budget Estimate;
- any recourse to subcontracting while the action is under way, if not provided for in the initial grant application, shall be notified by the Beneficiary and is subject to prior written approval by the Commission.

In addition to the above, there shall be no statutory link between subcontractors and the Applicant, Co-applicant and their representatives, situation which could lead to potential conflicts of interest and circumvention of the principle of non-profit. It follows from the character of subcontracting that activities cannot be subcontracted to the Coordinator or to Co-beneficiaries or Associate partners.

The Coordinator may not subcontract the coordination, management and general administration of the project and the Co-beneficiaries may not subcontract all the activities for which they are responsible.

Subcontractors do not contribute financially to the project and therefore do not benefit from any intellectual property rights arising from the achievements of the project.

Subcontracts and implementation contracts must be awarded ensuring the best value for money or, if appropriate, the lowest price. In doing so, they must avoid any conflict of interests.

Beneficiaries that are 'contracting authorities' within the meaning of Directive 2004/18/EC⁷ or 'contracting entities' within the meaning of Directive 2004/17/EC⁸ must comply with the applicable national law on public procurement. The Commission reserves the right to ask for the documents proving that the relevant rules of public procurement were applied.

⁷ Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

⁸ Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

The Beneficiaries are reminded that the character of emergency actions cannot be used as an argument to circumvent procurement rules, and does not automatically mean that the use of accelerated procedures is justified.

3.5.6 Heading F – Eligible Indirect costs

Indirect costs (Overheads) relate to categories of expenditure that are not identifiable as specific costs directly linked to activities necessary for carrying out the project but are incurred in connection with the eligible direct costs for this project. They may not include any eligible direct costs.

"Budget Heading" F should be encoded in column A.

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item I.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
F	ABC	0	Indirect costs - 3,5% of direct costs	lump sum	35.000,00	1,00	35.000,00	

Heading F can include in particular the following costs:

- costs related to horizontal services, such as administrative and financial management and human resources;
- rents;
- communication costs (postage, fax, telephone, mailing, internet connection, telecommunication software, etc.);
- office supplies (stationery, photocopies, paper, ink, cartridge, etc.);
- office furniture;
- standard office IT equipment, (copy machine, projector, beamer, PC, laptop, normal office software, etc.), cameras, video cameras;
- maintenance costs;
- heating, water supply, electricity or other forms of energy and
- insurance policies.

Flat-rate funding for indirect costs

Within the limits permitted by the Grant Agreement (Article I.3), overhead costs can be financed by means of flat-rate financing. This means that costs under Heading F - Indirect costs do not have to be supported by accounting documents during the implementation phase and at the final closure of the project.

The amount of eligible indirect costs must not exceed a maximum of 7% of the total eligible direct costs of the project (total of Headings A, B, C, D and E) – for the entire project. The Commission reserves the right to lower the percentage requested.

Indirect costs should be proportionate to the workload due to the type and nature of activities, length of project, and number of Co-beneficiary Partners, etc.

The percentage of EU co-funding mentioned in the Grant Agreement is calculated on the total eligible costs = direct costs (A+B+C+D+E) + indirect costs (F).

If an organisation receives an operating grant from the EU budget for any given financial year, the organisation may not receive additional co-funding for overhead costs via an action grant during the year covered by the operating grant.

This should be taken into account when calculating the amount of indirect costs for that organisation. Indirect costs for the period covered by an operating grant cannot be included in the estimated budget.

3.6 Income headings

Total income must be equal to total expenditure. While estimated expenses (eligible costs) must be listed under Headings A, B, C, D, E, and F, the different income must be listed under Headings I and K.

3.6.1 Heading I – Financial contributions specifically assigned by donors to the financing of the eligible costs & Income generated by the financed activities

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
I	ABC	2	Income - contribution from sponsor specially assigned to finance eligible costs in Activity 2	lump sum	6.000,00	1,00	6.000,00	
I	ABC	4	Conference participation fee	fee	350,00	20,00	7.000,00	

If the project activities are expected to generate income during the lifetime of the project (e.g. conference fees paid by participants, revenue from commercialising a publication, etc.), the estimated amount of income must be listed under Heading I of the Forecast Budget.

The EU contribution (grant amount) is not a project-related income. The contribution requested from EC (i.e. grant amount) is calculated automatically on Sheet 4 "Budget & Execution Summary" and shall be NOT indicated under Headings I and K.

Financial contributions specifically assigned by donors (third parties) should also be listed under Heading I.

You should include financial contributions from donors, only if they are specifically assigned to cover eligible costs included in the Forecast Budget Calculation.

"Budget Heading" I should be indicated in column A and you should include separate entries for each source of co-financing.

3.6.2 Heading K – Other income, including own contribution from the beneficiary/co-beneficiaries

Example

A	B	C	D	E	F	G	H	I
Budget heading	Name of Beneficiary	Activity	Description of item i.e. Who? What?	Unit (days, persons etc.)	Amount per unit in EURO	Number of units	Total EURO	Additional information
K	ABC	0	Co-financing	percentage	15.000,00	1,00	15.000,00	co-financing by applicant - 10% of the cost of the action

Under Heading K, you should include the cash contributions that the Coordinator and the Co-beneficiary Partners decide to allocate to the project in order to ensure that the total costs are covered in case the EU co-financing applied for is less than 100% of the total eligible costs.

Article 7 of the Horizontal Regulation (514/2014) foresees the possibility that emergency assistance may amount to 100% of the eligible expenditure.

3.7 Partner Declaration by Co-Applicant

The Declaration serves as a proof of commitment of the Co-Applicant to the implementation of the action. The Declaration is a binding commitment on behalf of the organisation. Therefore, the representatives of the organisations should make sure that they have read the terms and conditions governing the grant and that they have consulted and agreed with the Coordinator concerning every aspect of their contribution – including the financial contribution (if applicable) – to the action.

Each Co-Applicant mentioned in the Application Package must fill in a separate Declaration Form. The Coordinator does not have to fill in a Declaration Form.

Partner Declaration(s) must be submitted using the templates provided by the Commission. The templates are a Microsoft Word documents. The templates are not write-protected; however the text of the Declaration should not be altered. Only declarations submitted using these templates will be accepted.

Once completed, a printed original has to be signed by the authorised legal representative of the Partner and sent to the Coordinator. The Co-Applicants should not send the form to the Commission directly.

The complete (including all pages), duly filled and signed Partner Declaration Forms must be then attached to the Grant Application Form by the Coordinator.

Please note that only the complete (including all the pages) duly signed version will be accepted.

4. Award decision and notification

At the end of the evaluation process the Commission adopts a formal award decision that allocates the grant depending on the budget availability. The award decision shall set the maximum amount of funding which can be awarded for the action and also fix the maximum percentage of the contribution of the EU co-financing to the total eligible cost of the action.

The Commission reserves the right:

- to award a grant lower than the amount applied for,
- to remove expenditure from the Budget Estimate, if they are ineligible or do not explicitly relate to the action.

The award decision does not represent a legal or budgetary commitment on behalf of the Commission.

5. Conclusion of the Grant Agreement

After the award decision has been taken, the Commission will set in motion the preparation of the Grant Agreement which is the legally binding document establishing the rights and obligations of the parties and specifies the maximum financial resources which will be allocated for the action.

6. Project Implementation

6.1 Amendments to the Grant Agreement

The Grant Agreement, including its Annexes, is legally binding. This means that Beneficiaries, project activities, location(s), budget, length and schedule of the activity, etc. cannot be changed, save for exceptional reasons that are duly justified and with the prior written approval of the Commission services and, where necessary, an amendment of the Grant Agreement. Details on how to amend the Grant Agreement can be found in the Draft Model Grant Agreement.

According to the Draft Model Grant Agreement, budget transfers between budget categories (headings) above a certain percentage (to be specified in the Grant Agreement) of the amount of each budget category (heading) for which the transfer is intended require prior approval from the Commission.

Unauthorised changes in any of these key aspects, as well as partial implementation of planned activities, may prompt the Commission to terminate the Grant Agreement and to request the reimbursement of the pre-financing payment or to lower the percentage of EU contribution.

6.2 Visibility of EU Funding

The relevant visibility and publicity requirements are set out in the Grant Agreement.

7. Reporting obligations

The conditions regarding the reporting obligation are set out in the Grant Agreement. In order to ensure that the results of the co-funded actions are presented in a comparable manner, the **Commission provides the model of the reporting documents**. Unless otherwise stated in the Grant Agreement the compulsory models are annexed to the Grant Agreement and are made available in electronic format for the Beneficiaries.

7.1 Progress report

If provided for in the Grant Agreement the Partnership shall submit, dependent on the length and complexity of the action, periodic progress reports. Progress reports must be precise, correctly completed using the template set out in the Grant Agreement.

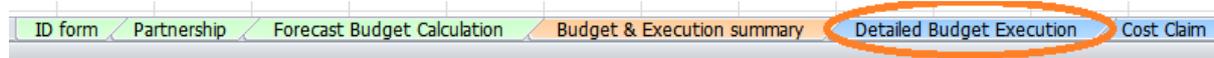
The progress report should be sent electronically only to the specific functional mailbox of each Fund.

7.2 Final Reporting package

Payment of the balance and the final calculation of the grant shall be made after the checking and acceptance of the Final Reporting Package.

The Final Reporting Package must be submitted in line with the provisions set out in the Grant Agreement and its Annexes.

The **Final Financial Statement** must be precise, correctly completed using the template referred to in Annex VI of the Grant Agreement. In practice the template is Sheet 5 "Detailed Budget Execution" of Budget Form included in Annex III of the Grant Agreement.



This sheet is for entering the data on the actual implementation of the project both in terms of expenditure and income. The encoding has to follow the same logic and order as for the Forecast Budget Calculation (Sheet 3 of the Budget Form). Please use the same Budget Headings, activities, descriptions. At this stage, it is important to insert the real incurred costs and the real income, no estimates, no lump sums, no flat rates (except for the indirect costs).

In addition to the estimated budget, this sheet has a column for **inserting the Beneficiary's accounting reference** (column D). This accounting reference can be an exact entry in the accountancy or an analytical reference making it possible to consolidate information, in order to facilitate its analysis. In case of an audit, this reference is part of the audit trail.

Encoding incomes

Under **Budget Heading I** should be included the financial contribution specifically assigned by third party donors to the financing of the action's eligible costs and any income generated by the co-financed activities. Any other income, including the own contribution from the beneficiaries, should be included under **Budget Heading K**.

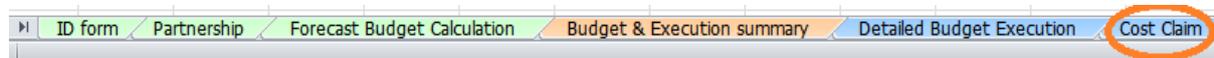
The pre-financing payments received from the Commission should be included under **Budget Heading J**.

The columns L, M, N, O and P are reserved for the Commission to analyse the beneficiary's statement and to indicate the rejected amounts which are not considered eligible.

If relevant, the Commission inserts an explanation on specific lines, in order to facilitate the beneficiary's understanding of the Commission's position and identifying the amounts retained as ineligible.

In Sheet 4 "Budget and Execution Summary" of the Budget Form, the amounts are automatically inserted and consolidated by Budget Heading/Item. It provides the amounts of the estimated, declared, and eligible expenditure. It also enlists the estimated and declared income. It further shows the final calculation of the amount of the grant and of the final payment or reimbursement. Any profit made by the project activities is calculated in cell G23, and the non-profit rule is applied in cell G24. This sheet is write-protected.

The Final payment request - Cost Claim must be correctly completed using the template referred to in Annex VI of the Grant Agreement. In practice the template is Sheet 6 "Cost Claim" of the Budget Form included in Annex III of the Grant Agreement.



This sheet is the final payment request to be completed by the Coordinator. By default, the information introduced in Sheet 1 'ID Form' is copied to this sheet. Similarly, the amount of the final payment (cell I19) is copied from Sheet 4 "Budget & Execution Summary". The legal representative of the Coordinator has to date and sign this Cost Claim.

In order to allow a proper analysis of the Final Reporting Package, the Commission may require supporting documents, either partially or totally (invoices, staff pay slips, proofs of payment, bank statements, other proof of payment corresponding to the items stated in the ledger and the budget of the project, etc.). The below listed documents shall not be sent automatically.

Supporting documents may only be submitted as **copies**, the originals should be kept by the Beneficiaries.

Beneficiaries should be ready to provide the following documents upon request of the Commission. **The list of supporting documents listed below is not exhaustive.**

7.3 Supporting documents

7.3.1 Supporting documents for Staff costs

- a **table** with a **breakdown of all project staff** by names, worked time, employment status (full or part time) in total coherence with the expenditure indicated in the Budget Estimate (Sheet 3 "Forecast Budget Calculation") and Sheet 5 "Detailed Budget Execution");
- **copy of the employment contract for each project staff** member indicating duties, working hours, employment status and salary;
- a copy of the **secondment/assignment decision (public officials) – if applicable**;
- **timesheets** for each project staff member (except staff working full time on the project)
The timesheets should
 - a) contain the full name and signature of the project staff member who performed the work;
 - b) be certified by his/her hierarchical supervisor or the person responsible for the implementation of the project for which the work input by the project staff member was required (if applicable), their full names should be indicated;
 - c) contain the full name of the organisation/service concerned;
 - d) contain the title and reference number of the project as indicated in the Grant Agreement;
 - e) indicate the time period concerned;
 - f) indicate the activity of the project which required the work input;
 - g) indicate the number of days claimed on the project. It must be possible to verify all days claimed in a reliable manner.
- copy of the salary slips or payrolls of each project staff member for each month worked on the project;
- copy of the documents proving amounts of employers' tax and social contributions paid in addition to the gross salary of each project staff member;
- copy of proof of payment through a bank account of the salaries, the tax and social contributions paid for each project staff member;
- copy of proof of payment (through a bank account) of overtime/extra working hours, if applicable.

7.3.2 Supporting documents for Travel expenses

- copy of the invoice for flight or rail tickets stating name of passenger, date of travel and itinerary; proof of payment;
- copy of flight or rail tickets, including boarding passes;
- travel expenses by private car: a copy of the reimbursement claim made to the Coordinator organisation/Co-beneficiary, up to the cost of the first-class rail fare. The Coordinator is asked to indicate the equivalent rail fare for this journey;
- copy of proof of payment or reimbursement to the participant, if the ticket was purchased directly by him (payment through bank account, unless the Commission has authorised other forms of payment);
- copy of the attendance list of events (conferences, seminars, training etc.) dated and signed by all participants.

7.3.3 Supporting documents for Subsistence expenses

If Daily Subsistence Allowance (DSA) is used:

- copy of the attendance list of events (conferences, seminars, training etc.) dated and signed by all participants;
- copy of internal rules for subsistence reimbursement;
- proof of payment or reimbursement (payment through bank account).

If actual costs are used:

- copy of the attendance list of events (conferences, seminars, training etc.) dated and signed by all participants;
- invoices with name of the person, date of stay, cost per night, excluding telephone and minibar expenses (hotel invoice);
- invoices with number of meals (restaurant);
- all dated receipts for local travel (taxi, train, bus), parking etc.;
- proof of payment or reimbursement (payment through bank account).

7.3.4 Supporting documents for Equipment expenses

- copy of invoice;
- copy of proof of payment(s);
- copy of the fixed asset register can be requested in order to prove that the equipment has been put in use during the lifetime of the project.
- copy of records demonstrating public procurement procedure (if applicable)

7.3.5 Supporting documents for subcontracting expenses or implementation contracts

- copy of relevant rules on public procurement including procedural reports and decisions;
- copies of the requests for offers sent out;
- copy of offers/bids;
- copy of the contract which must include: information on the services provided (including the terms of reference), the start and end dates of the contract, the price (breakdown and description of costs), timetable, and payment arrangements (one or more advance payments, staggered payments, etc.);
- copy of proof of payment.

7.3.6 Indirect eligible costs - Overheads

You will not be required to justify the total amount, but bear in mind that the type of costs covered through overheads cannot be claimed under any other heading. Indicate the percentage agreed in the contract and apply it to the total eligible costs.

7.3.7 Supporting documents for all other expenses

- copy of invoices;
- copy of proof of payment.