ANNEX III – FINANCIAL AND CONTRACTUAL RULES

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

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 Mobility 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, including accompanying persons, by the unit contribution applicable to the distance band concerned, 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.

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 Mobility 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: Proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date.

(d) Reporting:

In case of Advance Planning Visits to hosting partners where no ErasmusPro activities were organised as a result, the beneficiary shall submit a justification to the National Agency explaining the reasons for not implementing ErasmusPro activities with this hosting partner. As derogation from Article III of this Annex, the National Agency may approve such a request based on this justification.

B. Individual support

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of days/months per participant, including accompanying persons, by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex IV of the Agreement. One travel day before the activity and one travel day following the activity can be included for the calculation of individual support if relevant.

- In case of an interruption during the stay, the period of interruption will not be counted when calculating the individual support grant.

- 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, except if agreed differently with the beneficiary.

- In case of suspension by the participant of the grant agreement with the beneficiary due to "force majeure", the participant must be allowed to continue the activities after the interruption, provided that the mobility end date does not exceed the final date of the mobility project. This should be reported in Mobility Tool+ as a single mobility with an interruption period.

(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: Proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date.

(d) Reporting:

- Participants in the mobility activities must report on this activity via an on-line questionnaire providing their feedback in terms of factual information and their appreciation of the activity period, as well as of its preparation and follow-up.

- In case of Advance Planning Visits to hosting partners where no ErasmusPro activities were organised as a result, the beneficiary shall submit a justification to the National Agency explaining the reasons for not implementing ErasmusPro activities with this hosting partner. As derogation from Article III or this Annex, the National Agency may approve such a request based on this justification.

C. Organisational support

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participations in mobility activities by the unit contribution applicable as specified in Annex IV of the Agreement. Persons accompanying participants during their activity and persons taking part in Advance Planning Visits] are not considered to be participants of mobility activities and are not considered for calculation of organisational support grant.

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

(c) Supporting documents: Proof of attendance of the activity in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity, as well as its starting and end date.

D. Online Linguistic Support (OLS)

[*Only applicable for mobilities for which the main language of instruction or work is Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish or Swedish (or additional languages once they become available in the Online Linguistic Support (OLS) tool), with the exception of native speakers]*

OLS language assessments

- Language assessment licenses are provided for participants undertaking a mobility period for a minimum period of nineteen days excluding travel.
- The licences must be distributed to the participants from the sending institution. The beneficiary must ensure the uptake of the licences and make every effort to ensure that all the allocated licences are used by the selected participants.
- The beneficiary must distribute the language assessment licences to participants after their selection for the mobility activity.
- The beneficiary must ensure that mobility participants take the OLS language assessment before their mobility period.
- The beneficiary will be notified of the assessment results by the service provider.

OLS language courses

- Participants must have taken an OLS assessment before they can be awarded a licence to follow an OLS language course. Licences for OLS language courses must be awarded to all participants willing to follow the course and according to the participant's linguistic needs. Higher education mobility participants can also express their interest in following the OLS language course in their main language of mobility and/or the local language of the destination country (if applicable) upon completing their language assessment.

- Licences must be distributed among the participants from the sending institution according to their needs. All participants having taken the language assessment have the opportunity to follow a language course, unless the language in question is Irish Gaelic or Maltese.

- Mobility participants with a level of B2 or higher at the language assessment in their main language of instruction or work have the opportunity to follow an OLS language course either in that language or in the local language of the country, provided it is available in the OLS. It is up to the sending institution or the beneficiary to indicate this choice in the OLS.

- OLS language course licences must be used as from the OLS assessment (before their mobility period) to the end of the mobility activity.

- The beneficiary must monitor the use of licences on the basis of the information provided by the service provider.

- The beneficiary must make every effort to ensure that all the allocated licences are actively used by the selected participants.

All licences

- Mobility participants commit themselves by signing the individual mobility grant agreement to complete the OLS language assessment (before the mobility period) and to follow the OLS language course, if awarded.

- The beneficiary must act in line with the guidelines for the use of the OLS provided by the service provider.

- The beneficiary must report on the number of used language assessment and language course licences in the final beneficiary report.

- In case of unused or non-allocated licences at the time of final beneficiary report, the NA may decide to take this into account for the allocation of the number of licences awarded to the beneficiary in the subsequent call years].

D. Linguistic support (only for languages not covered by OLS)

(a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of learners receiving linguistic support by the unit contribution as specified in Annex IV of the Agreement.

(b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken language preparation in the language of instruction or of work.

(c) Supporting documents:

- proof of attendance of courses in the form of a declaration signed by the course provider, specifying the name of the participant, the language taught, the format and duration of the linguistic support provided, or

- invoice for the purchase of learning materials, specifying the language concerned, the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice, or

- in case the linguistic support is provided directly by the beneficiary: a declaration signed and dated by the participant, specifying the name of the participant, the language taught, the format and duration of the linguistic support received.

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.3.3;

(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>Special needs support</u>

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

(b) Eligible costs: costs directly related to participants with special needs and accompanying persons (including costs related to travel and subsistence, if justified) and as long as a unit contribution for these participants is not requested through budget categories "travel" and "individual support", and that are additional to costs supported by a unit contribution as specified in Section I of this Annex.

(c) Supporting documents: invoices of the related costs specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.

(d) Reporting:

- The beneficiary must report in Mobility Tool+ whether additional grant support for special needs support or an accompanying person was used for any of the participants with special needs.
- In such case, the beneficiary must report in Mobility Tool+ the type of additional expenses as well as the real amount of related additional costs incurred.

B. Exceptional costs

(a) Calculation of the grant amount: the grant is a reimbursement of 75% of the eligible costs actually incurred for the financial guarantee, of 80% of the eligible costs for expensive travel costs of eligible participants, and of 100% of the eligible costs actually incurred for the participation of learners with fewer opportunities.

(b) Eligible costs:

- costs that are indispensable to allow learners with fewer opportunities to participate in the project (excluding costs for travel and individual support for participants and accompanying persons) and that are additional to costs supported by a unit contribution as specified in Section I of this Annex;

- 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 replace the standard travel grant.

(c) Supporting documents:

- In the case of costs related to the participation of learners with fewer opportunities: invoices of the actual costs incurred specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice.

- In the case of a financial guarantee: proof of the cost 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.

- In the case of travel costs: 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 the travel route.

(d) Reporting:

- The beneficiary must report in Mobility Tool+ whether exceptional costs were incurred;

- In such case, the beneficiary must report in Mobility Tool+ the type of expenses as well as the real amount of related costs incurred.

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 for each Key Action and each field.

b) Activities undertaken 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 the activities concerned must be reimbursed in full. The reimbursement must cover all budget categories for which a grant was awarded in relation to the activity that is declared ineligible.

c) The eligible minimum duration of mobility activities specified in the Programme Guide is the minimum duration of the activity excluding time for travel.

IV. RULES AND CONDITIONS FOR 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).

- The NA may consider also 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, desk checks or on the spot checks undertaken by the NA.

- The final report will be assessed on the basis of quality criteria and scored on a total of maximum 100 points. If the final report scores below 50 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 the case of accredited organisations, 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 withdraw the accreditation.

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

<u>For non-accredited organisations:</u>

- The extent to which the action was implemented in line with the approved grant application

- The quality of the learning outcomes and impact on participants

- The impact on the participating organisations

- The quality of the practical arrangements provided in support of the mobility, in terms of preparation, monitoring and support to participants during their mobility activity

- The quality arrangements for the recognition/validation of the learning outcomes of participants

For accredited organisations:

- The extent to which the action was implemented in line with the approved grant application.

- The extent to which the action was implemented in respect of the quality and compliance requirements set out in the Erasmus+ VET Mobility Charter.

- 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.

- A grant reduction based on poor, partial or late implementation may be applied to the final amount of organisational support and may be of:

  - 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.

V. GRANT MODIFICATIONS

(a) Grant modification due to additional funds being available

- In the event of additional funds becoming available to the NA for (re)allocation to beneficiaries, the total maximum grant amount indicated in Article I.3.1 may be increased in accordance with the following conditions:

  — The beneficiary has not been awarded the full grant requested under the main selection round due to the high demand and limited budget rather than for reasons of weak past performance of the beneficiary;

  — On the basis of the information provided in the ad hoc interim report and data registered in Mobility Tool+, the realisation level of mobilities granted initially is in line with the Grant Agreement.

- The final grant amount awarded must not exceed the grant amount requested by the applicant in the initial grant application.

(b) 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) above will take the form of an amendment to the Agreement.

VI. 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. 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 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, the beneficiary concerned may send a copy of the supporting documents instead.

The beneficiary may be requested by the NA to provide for any type of check, 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 must submit to the National Agency a final report through Mobility Tool+ which will include the following information on grant expenditure:

- Unit contributions consumed for budget categories:
  - Travel
  - Individual support
  - Organisational support
  - Linguistic support
- Actual costs incurred for budget category:
  - Special needs support
- Actual costs incurred and supporting documents specified in Section II of this Annex for budget category:
  - 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 relevant premise for the execution of the Project. During on-the-spot checks, the beneficiary must make available for review by the National Agency original supporting documentation for all budget categories.

There are three types of possible on-the-spot checks:

- ***On-the-spot check during project implementation***

  This check is undertaken during the implementation of the Project in order for the National Agency to verify directly the reality and eligibility of all project activities and participants.

- ***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.

In addition to providing all supporting documentation, the beneficiary must enable the National Agency access to the recording of project expense in the beneficiary accounts.

- ***System check***

  The system check is performed to establish the beneficiary's compliance with the implementation standards committed to in the framework of the Erasmus+ Programme, including the VET Mobility Charter.

  The beneficiary must enable National Agency to verify the reality and eligibility of all project activities and participants.