ANNEX III – FINANCIAL and CONTRACTUAL RULES

For multi-beneficiary grant agreements of KA2

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I. RULES APPLICABLE TO BUDGET BASED ON LUMP SUMS

I.1 Conditions for eligibility of lump sum contributions

Lump sum contributions are eligible ('eligible contributions'), if:

(a) they are set out in Annex II and

(b) the work packages/activities are completed and the work is properly implemented by the beneficiaries and/or the results are achieved, in accordance with Annex II and during in the period set out in Article I.2 (with the exception of work/results relating to the submission of the final periodic report, which may be achieved afterwards)

The lump sum contributions cover all costs directly related to the implementation of the project activities.

I.2 Supporting documents for lump sum contributions

The supporting documentation required at final report stage is listed in section V. a) of this Annex. Documentary proof of incurred expenses (e.g. invoices) is not required at final report stage. However, in accordance with section V of this Annex and articleII.27 of the General Conditions, upon request by the National Agency, by the Commission or an audit body, beneficiaries must be able to provide evidence that the activities for which the grant was requested have actually been carried out.

II. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES

a) The beneficiaries 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.

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.

Work package 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 work packages concerned must be reimbursed in full.

III. AMENDMENT

In case that, during the implementation of the project, a beneficiary needs to modify the budget allocated to a work package/activity, this can be done only by requesting an amendment. Budget transfers between work packages are acceptable only if work packages are not already completed (and declared as such in a financial statement) and are justified by the technical implementation of the action. In this sense, the granting authority will assess any such request for amendment on a case-by-case basis.

IV. FINAL REPORT

The final report will be evaluated on the basis of quality criteria and scored on a total of maximum 100 points. If the final report scores below 70 points in total, the NA may reduce the final grant amount on the basis of poor, partial or late implementation of the Project even if all activities reported were eligible and actually took place. The final report and project results will be assessed by the NA, using a common set of quality criteria focusing on:

- The extent to which the project was implemented in line with the approved grant application
- The quality of activities undertaken and their consistency with the project objectives
- The quality of the products and results produced
- The learning outcomes and impact on participants
- The extent to which the project proved to be innovative/complementary to other initiatives
- The extent to which the project proved to add value at EU level
- The extent to which the project implemented effective quality measures as well as measures for evaluating the project's outcomes
- The impact on the participating organisations

In case of learning, teaching and training activities: 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.

- The quality and scope of the dissemination activities undertaken
- The potential wider impact of the project on individuals and organisations beyond the beneficiaries

V. GRANT REDUCTION FOR POOR, PARTIAL OR LATE IMPLEMENTATION

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

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

If the final report scores below 70 points in total, the NA may reduce the final grant amount on the basis of poor, partial or late implementation of the action even if all activities reported were eligible and actually took place. In that case, a grant reduction may correspond to:

- 10% if the final report scores between 69 and 55 points;
- 40% if the final report scores between 54 and 40 points;
- 70% if the final report scores between 39 and 0 points;

If the overall project scores above 70 points, but the score of one or more work packages is lower than 70, a grant reduction shall be applied only to those work packages, based on the same scale as above.

In case a planned work package is not carried out and it is not replaced in due time by another equivalent work package in terms of budget and activities, the NA shall reduce the grant by the amount allocated to that work package.

V. CHECKS OF GRANT BENEFICIARIES AND PROVISION OF SUPPORTING DOCUMENTS

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

A final report check must be performed for all projects. In addition, the project may be subject to a 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 selected the Agreement for a targeted check based on its risk assessment.

For final report check and desk check, the coordinator must supply to the NA copies of the relevant supporting documents (including supporting documents from the other beneficiaries) proving that the activities foreseen in the project effectively took place (e.g minutes of meeting, courses material, project deliverables, etc.), unless the NA makes a request for originals to be delivered. The NA must return original supporting documents to the beneficiary upon its analysis thereof. If the beneficiary is legally not authorised to send original documents for final report or desk checks, a physical or electronic copy of the supporting documents may be sent instead.

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

The different checks must include the following:

a) **Final report check**

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

The beneficiary's final report must include the following information:

- Detailed description of each activity carried out.
- Quantitative and qualitative information showing the level of achievement of the project objectives stated in the application
- Project results, by uploading them in the Erasmus+ Project Results Platform.

- Self-assessment, indicating as a percentage the level of achievement of the project objectives.
- Relevant supporting documents.

b) **Desk check**

The desk check is an in-depth check of supporting documents as well as evidence of the underlying reality of the project implementation, carried out at the NA premises that may be conducted at or after the final report stage.

Upon request, the coordinator must submit to the National Agency the relevant supporting documents and evidence supporting the quality of the deliverables.

c) **On-the-spot checks**

On-the-spot checks are performed by the NA at the premises of the beneficiaries or at any other premise relevant for the execution of the Project. During on-the-spot checks, the beneficiaries must make original supporting documentation available for review by the National Agency and must enable the National Agency access to the recording of project expenses in the beneficiary's accounts.

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

- On-the-spot check during project implementation: this check is undertaken during the implementation of the Project in order for the National Agency to directly verify the quality, 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**.**