

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/expensive domestic travel costs will be awarded.

- (a.1) Calculation of the grant amount for travel costs for staff: the grant amount is calculated by multiplying the number of participants per distance band, 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 student mobility, unit contributions for travel between Programme Countries are applicable for sending institutions from/to outermost Programme countries and regions (outermost regions, Cyprus, Iceland, Malta, and Overseas Countries and Territories).

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.

- (a.2) Calculation of the grant amount for the top-up for expensive domestic travel costs for staff: the grant amount is calculated by multiplying the number of expensive domestic return trips undertaken by the participants by the unit contribution applicable to the “top-up for expensive domestic travel costs”, as specified in Annex IV of the Agreement. The top-up for expensive domestic travel may be requested only for travel itineraries within Programme Countries.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity.

The eligibility of the grant for the top-up for expensive domestic travel will be conditional on the National Agency accepting the justification provided. The National Agency must make the assessment of the justification based on the information provided by the beneficiary and on publicly available information relating to the same travel route. The eligibility must be established based on typical price for the route and the period in which the travel was undertaken.

- (c.1) Supporting documents for staff: For travel taking place between the sending organisation and the receiving organisation: proof of attendance of the activity abroad in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity abroad, as well as its starting and end date. In exceptional cases of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary must be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.
- (c.2) Supporting documents for students: Documentary evidence issued by the receiving organisation and specifying:

- the name of the student,

- the start and end date of the mobility activity abroad in the following format:
 - Transcript of Records (or statement attached to it) in the case of mobility for studies
 - Traineeship Certificate (or statement attached to it) in the case of mobility for traineeships

In exceptional cases of travel from a place different than that where the sending organisation is located and/or travel to a place different than that where the receiving organisation is located which leads to a change of distance band, the actual travel itinerary must be supported with travel tickets or other invoices specifying the place of departure and the place of arrival.

(d) Reporting:

If domestic travel top-up has been requested, the beneficiary must provide a description of the actual itinerary and a justification explaining why a more economical route could not have been taken. The itinerary followed may not be justified based on convenience, unless an alternative route would require more than one travel day to reach the final destination or return to the place of origin.

B. Individual support

- (a) Calculation of the grant amount for students: the grant amount is calculated by multiplying the number of days/months per student, by the unit contribution applicable per day/month for the receiving country concerned as specified in Annex IV of the Agreement. In the case of incomplete months for long-term mobilities, the grant amount is calculated by multiplying the number of days in the incomplete month by 1/30 of the unit contribution per month.

In the case of Higher Education student mobility, start and end dates will be counted as follows:

- The start date should be the first day that the student needs to be present at the receiving organisation (first course/first day at work/first day of welcoming event or language and intercultural courses).
 - The end date should be the last day the student needs to be present at the receiving organisation (last day of the exam period/course/work/mandatory sitting period).
- (b) Calculation of the grant amount for staff: the grant amount is calculated by multiplying the number of days per participant by the unit contribution applicable

per day 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.

Changes in the period of stay for students and staff:

- If the expected period of stay is longer than the one indicated in the grant agreement, the beneficiary may:
 - Either amend the grant agreement during the mobility period abroad to take into account the longer duration, provided that the remaining grant amount allows it.
 - Or agree with the participant during the mobility period abroad that the additional number of days will be considered as a period of “zero-grant” (non-funded duration).
 - The grant amount cannot be increased after the mobility is finished.
- If the confirmed period of stay is longer than the one indicated in the grant agreement, the additional days are to be considered a period of "zero-grant".
- For student mobility: Without prejudice of the respect of the minimum eligible duration, if the confirmed period of stay is shorter than the one indicated in the grant agreement, the beneficiary will act as follows:
 - If the difference between the confirmed period and the one indicated in the grant agreement is more than 5 days, the beneficiary must update this in Mobility Tool+ by indicating the confirmed period (i.e. the start date and end dates notified in the Transcript of Records or Traineeship Certificate) and the grant will be recalculated.
 - On the contrary, if the difference is 5 days or less, the beneficiary must maintain in Mobility Tool+ the period indicated in the grant agreement (i.e. the grant is not recalculated).
- In case of an interruption during the stay, the period of 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.
- (c) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad for the specified period.
- (d) Supporting documents for staff: proof of attendance of the activity abroad in the form of a declaration signed by the receiving organisation specifying the name of the participant, the purpose of the activity abroad, as well as its start and end date.
- (e) Supporting documents for students: Documentary evidence issued by the receiving organisation and specifying:
- the name of the student,
 - the confirmed start and end date of the mobility activity abroad in the following format:
 - Transcript of Records (or statement (Certificate of Attendance) attached to it) in the case of mobility for studies.
 - Traineeship Certificate (or statement (Certificate of Attendance) attached to it) in the case of mobility for traineeships.
- (f) 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 abroad, as well as of its preparation and follow-up. Participants who fail to submit the report may be required to partially or fully reimburse the financial contribution received from Erasmus+ EU funds.

C. Organisational support

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the total number of participations in mobility activities (i.e. regardless of whether the same participant will have undertaken one or more mobilities) by the unit contribution applicable as specified in Annex IV of the Agreement. The total number of participations considered for the calculation of organisational support includes all students and staff undertaking outbound mobility, including those with a zero-grant from Erasmus+ EU funds for their entire mobility period, as well as invited staff from enterprises undertaking inbound mobility. The total number of persons considered for organisational support excludes persons accompanying participants at their activity abroad.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the participant has actually undertaken the activity abroad.
- (c) Supporting documents: proof of attendance of the activity abroad as specified for "individual support" above.
- (d) Reporting:
 - There is a margin of tolerance of 10%, meaning that if the total number of student and staff mobilities is less than 10% lower than the number of mobilities specified in Annex II of the Agreement, the organisational support grant must not be reduced.
 - At final report stage, if the number of mobilities implemented is higher than the number specified in Annex II, the grant amount for organisational support must be limited to the maximum amount specified in Annex II. If the total number of student and staff mobilities implemented is less than 10% lower than the number of mobilities specified in Annex II of the Agreement, the organisational support grant will not be reduced.

D. Online Linguistic Support (OLS) [Only applicable for mobilities for which the main language of instruction or work is Bulgarian, Croatian, Czech, Danish, Dutch, German, Greek, English, Finnish, French, Hungarian, Italian, Polish, Portuguese, Romanian, Slovak, 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 abroad for a minimum period of two months.
- 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 abroad.
- The beneficiary must ensure that mobility participants take the first OLS language assessment before their mobility period and the second OLS language assessment at the end of their mobility period. The completion of the online language assessment before departure is a pre-requisite for the mobility, except in duly justified cases.
- 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.
- 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.
- Mobility participants with a level of B2 or higher at the first language assessment in their main language of instruction, work or volunteering 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 in the period between the OLS first and second language assessments, before and during the mobility activity of the participants concerned.
- 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 both OLS language assessments (before and at the end of 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 interim and final beneficiary report.
- In case of unused or non-allocated licences at the time of interim and 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.

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. Special needs support

- a) Calculation of the grant amount: the grant is a reimbursement of up to 100% of the eligible costs actually incurred.
- b) Eligible costs: costs directly related to participants with disabilities 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 actual costs incurred, 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 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.
 - The beneficiary may submit a request for special needs support to the NA once the participants have been selected.

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, and of 80% of the eligible costs for expensive travel costs of participants travelling from/to outermost regions and OCTs.

(b) Eligible costs:

- Costs relating to a pre-financing guarantee lodged by the beneficiary where such guarantee is required by the NA, as specified in Article I.4.2 of the Agreement.
- Costs of travel for participants travelling from/to outermost regions and OCTs for which the standard funding rule does not cover at least 70% of the eligible costs. This funding can only be awarded to students from outermost regions and OCTs and to staff if no funding was already awarded for the respective participants under I.2.A

(c) Supporting documents:

- 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 the costs for travel for participants travelling from/to outermost regions and OCTs, 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, and the date of the invoice.

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 recommend to the European Commission to withdraw the Erasmus Charter for Higher Education of the beneficiary.
- The final report will be assessed in conjunction with the reports from the mobility participants, using a common set of quality criteria focusing on:
 - The extent to which the action was implemented in line with the grant agreement.
 - The extent to which the action was implemented in respect of the quality and compliance requirements set out in the Erasmus Charter for Higher Education.
 - 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 VI of the Agreement.

- A grant reduction based on poor, partial or late implementation may be applied to the final amount of eligible expenses for 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 redistribution of funds or additional funds being available

- In the framework of redistribution of funds in HE between Programme Countries, where all beneficiaries are identified, or in the event of additional funds becoming available to the NA for (re)allocation to beneficiary institutions, the total maximum grant amount indicated in Article I.3.1 may be increased provided that the interim report shows a higher number or longer duration of outbound mobility activities (including invited staff from enterprises when applicable) than awarded.

(b) Grant increase for special needs

- As there is no provision for requesting special needs support at application stage in the field of higher education, the beneficiary may apply for additional grant support once the participants have been selected. Such support may be provided by the NA for participants whose individual physical, mental or health-related situation is such that his/her participation in the mobility activity would not be possible without extra financial support.

(c) Contractual modifications

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

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 must note that for any type of check the NA may additionally request supporting documents or evidence that are typically specified for another type of check.

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 as specified for final report and desk checks.

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 systems check is performed to establish the beneficiary's compliance with the commitments undertaken as a result of the ECHE. The beneficiary must enable National Agency to verify the reality and eligibility of all project activities and participants.