



EXECUTIVE AGENCY FOR HEALTH AND CONSUMERS

Director

OPERATING GRANT AGREEMENT

AGREEMENT NUMBER – 2012 [Number]

The Executive Agency for Health and Consumers (EAHC) (hereinafter referred to as "the Executive Agency"), acting under powers delegated by the Commission of the European Union (hereafter referred to as "the Commission"), and represented for the purposes of signature of this agreement by Mr. Luc Briol, Director, or his duly authorised representative,

of the one part,

and

[Full official name] [ACRONYM]
[Official legal form]
[Official registration No]
[Official address in full]
[VAT number],

hereinafter called "the beneficiary", represented for the purposes of the signature of the present agreement by [Mr/Ms] [first name + surname of the signatory and function]

of the other part,

collectively "*the parties to the agreement*"

HAVE AGREED

the **Special Conditions, General Conditions** and **Annexes** below:

- Annex I** Beneficiary's work programme [Technical Annex]
- Annex II** Beneficiary's operating budget [Financial Annex]
- Annex III** Reporting requirements: Final report, final financial statement and Financial independence form to be submitted
- Annex IV** Instructions concerning the eligibility of travel and subsistence expenses (if Commission's rules apply)
- Annex V** Unilateral commitment and declaration (only for beneficiaries with the status of non-public bodies - if applicable)
- Annex VI** Financial independence form- form to report incomes (only for beneficiaries with the status of non-public bodies - if applicable)
- Annex VII** Audit certificate template (only for beneficiaries with the status of non-public bodies - if applicable)

which form an integral part of this agreement ("the agreement").

The terms set out in the Special Conditions shall take precedence over those in the other parts of the agreement.

The terms of the General Conditions shall take precedence over those in the Annexes.

I - SPECIAL CONDITIONS

ARTICLE I.1 - SUBJECT

- I.1.1 The Executive Agency has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the Annexes to the agreement, which the beneficiary hereby declares that he has taken note of and accepts, for the work programme of the beneficiary entitled [Title + Acronym of the project], which corresponds to the activities and objectives specified in the beneficiary's articles of association.
- I.1.2 The beneficiary accepts the grant and undertakes to do everything in his power to implement the work programme as described in Annex I, acting on his own responsibility.

ARTICLE I.2 - DURATION

- I.2.1 The agreement shall enter into force on the date when the last of the two parties signs.

Without prejudice to Article II.14.5, unless otherwise agreed by the parties in writing, the agreement expires four months after the date of notification by the Executive Agency of the final amount of the grant determining the amount of the payment of the balance or the recovery order pursuant to Article II.15, or failing that four months after the date on which the payment of the balance was received.

[Option 1 for Art I.2.2:

- I.2.2 The period of eligibility for Union funding shall be [insert number] months from [the first day [of the month] following the date when the last party signs the agreement] (*“the starting date”*).]

[Option 2 for Art I.2.2:

- I.2.2 The period of eligibility for Union funding shall be [insert number] months from [insert date] (*“the starting date”*).]

[Option 3 for Art I.2.2:

- I.2.2 The period of eligibility for Union funding shall be [insert number] months from the latest of the following dates [insert date] / the first day [of the month] following the date when the last party signs the agreement (*“the starting date”*).]

ARTICLE I.3 - FINANCING THE WORK PROGRAMME

- I.3.1 The total costs eligible for Union funding are estimated at EUR [insert amount in figures and words] as shown in the beneficiary's estimated operating budget in Annex

II. The estimated operating budget in Annex II shall be in balance and shall show all the operating costs and receipts estimated by the beneficiary for the period in question, making a distinction between costs eligible for Union funding and those not eligible, in accordance with the definition of eligible costs in Article II.12.

- I.3.2 The Executive Agency shall contribute a maximum of EUR [insert amount in figures and words], equivalent to [insert number] % of the estimated total eligible costs indicated in Article I.3.1. The final amount of the grant shall be determined as specified in Article II.15, without prejudice to Article II.17.

The Union grant may not finance the entire costs of implementing the work programme. The amounts and sources of cofinancing other than from Union funds shall be set out in the estimated budget referred to in paragraph 1.

- I.3.3 By way of derogation from Article II.11, the beneficiary may, when implementing the work programme, adjust the estimated budget by transfers between headings of eligible costs, provided that this adjustment of expenditure does not affect implementation of the work programme and the transfer between headings does not exceed 10% of the amount of the total eligible costs indicated in paragraph 1.3.1. He shall inform the Executive Agency in writing.

ARTICLE I.4 - PAYMENT ARRANGEMENTS

- I.4.1 Pre-financing:

Within 45 days of [the latest of the following dates:] the date when the last of the parties signs the agreement [/ receipt of a financial guarantee which has been approved by the Executive Agency and amounting to EUR [insert amount in figures and words] [or an amount equivalent to the amount of the pre-financing granted], a pre-financing payment of EUR [insert amount in figures and words] shall be made to the beneficiary, representing [insert figure]% of the amount specified in Article I.3.2.

- I.4.2 Further pre-financing payments:

Pre-financing may be paid in several instalments. In that case, payment of each further instalment may not be made until at least 30% of the previous pre-financing payment has been used up [and shall be conditional on the beneficiary producing a financial guarantee of [insert amount in figures and words] [or equivalent to the aggregate amount of the pre-financing] EUR which has been approved by the Executive Agency]. Where the consumption of the previous pre-financing is less than 70%, the amount of the new pre-financing payment shall be reduced by the unused amounts of the previous pre-financing¹.

Every request for payment of a further pre-financing instalment must be accompanied by the documents specified in Article II.13.2 [and by [and by a progress report on the

¹ The new pre-financing instalment shall be reduced by the amount corresponding to the difference between the 70% threshold and the amount that was actually consumed. (Example: previous pre-financing 300 of which 100 (<70%) was consumed; calculation: 210 (70% threshold of 300) – 100 consumed = deduction of 110 from following pre-financing instalment).

implementation of the work programme] [an external audit certificate] [[or, in case of public bodies,] a certificate produced by a competent and independent public officer] on the beneficiary's financial statements and underlying accounts for the period in question. The purpose of the audit is to certify that the financial documents submitted to the Executive Agency by the beneficiary comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared].

Within 45 days after the Executive Agency receives the request for payment of a further instalment, together with the documents referred to in the previous subparagraph, the compliance of the implementation of the work programme with Annex I will be assessed. Next, upon approval of the implementation, within 45 days a pre-financing payment of [insert amount in figures and words] EUR shall be made to the beneficiary, equivalent to [insert figure]% of the amount specified in Article I.3.2.

I.4.3 Payment of the balance

The request for payment of the balance shall be accompanied by the documents specified in Article II.13.4 and Annex III [and by [an external audit certificate] [[or, in case of public bodies,] a certificate produced by a competent and independent public officer] on the beneficiary's financial statements and underlying accounts for the period in question. The certificate shall certify, in accordance with a methodology approved by the Executive Agency, that the costs declared by the beneficiary in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the agreement].

The Executive Agency shall have 45 days to approve or reject the report on the technical and financial implementation of the work programme or to request additional supporting documents or information under the procedure laid down in Article II.13.4. In that case, the beneficiary shall have 20 days to submit the additional information or a new report.

A payment representing the balance of the grant determined in accordance with Article II.15 shall be made to the beneficiary within 45 days following approval by the Executive Agency of the report on the technical implementation of the work programme accompanying the request for payment of the balance. The Executive Agency may suspend the period for payment in accordance with the procedure in Article II.14.2.

ARTICLE I.5 - SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The provisions relating to submission of the reports on the technical implementation of the work programme, financial statements and other documents referred to in Article I.4 are contained in Annex III.

The reports on the technical implementation of the work programme, financial statements and other documents referred to in Article I.4 must be submitted by the beneficiary in [insert number] copies in [insert language] on the following dates:

- Interim report on the technical implementation of the work programme and other documents related to a request for a further pre-financing as specified in Article I.4.2² within 2 months following a period of [insert number] months after the starting date specified in Article I.2.2., covering the period [insert dates];
- Final report on the technical implementation of the work programme and other documents related to a request for payment of the balance as specified in Article I.4.3. within 2 months following the end of the period of eligibility of Union funding specified in article 1.2.2., covering the whole project duration.

ARTICLE I.6 - BANK ACCOUNT

I.6.1 All payments shall be made to the beneficiary's bank account or sub-account denominated in euros, as indicated below:

Name of bank:	[...]
Address of the branch:	[...]
Precise denomination of the account holder:	[...]
IBAN account code ³ :	[...]

I.6.2 This account or sub-account must identify the payments made by the Executive Agency for carrying out the work programme for which the grant is awarded. Moreover, the funds paid to this account or sub-account shall yield interest or equivalent benefits under the law of the State on whose territory the account is opened. Such interest or benefits shall, if they are generated by pre-financing, be deducted from the payment of the balance or recovered by the Executive Agency as specified in Article II.14.4.

ARTICLE I.7 - GENERAL ADMINISTRATIVE PROVISIONS

Any communication in connection with this agreement shall be in writing, indicating the number of the agreement the title and acronym of the operating grant and shall be sent to the following addresses:

For the Executive Agency:

Technical reports, requests for payment and any other correspondence must be addressed to:

Executive Agency for Health and Consumers (EAHC)
 Health Unit
 DRB A3/050
 L-2920 Luxembourg
eahc@ec.europa.eu

² Whenever appropriate, intermediate targets should be established, upon which the report becomes due.

³ BIC code for countries where the IBAN code does not apply.

Ordinary mail shall be considered to have been received by the Executive Agency on the date on which it is formally registered by the Executive Agency unit responsible referred to above.

For the beneficiary:

[Mr/Ms] [...]
 [Function]
 [Official denomination]
 [Full official address]
 [Telephone]
 [Fax]
 [Email address]

Any change of address by the beneficiary shall be communicated in writing to the Commission.

ARTICLE I.8 - LAW APPLICABLE AND COMPETENT COURT

This grant is governed by the terms of the agreement, the Union law applicable and, on a secondary level, by the law of Luxembourg relating to grants.

The beneficiary may bring legal proceedings regarding decisions by the Executive Agency concerning the application of the provisions of the agreement and the arrangements for implementing it before the General Court of the European Union and, in the event of appeal, the Court of Justice.

ARTICLE I.9 – DATA PROTECTION⁴

1. Any personal data included in the agreement shall be processed pursuant to Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data. Such data shall be processed solely for the purposes of the implementation, management and monitoring of the agreement by Executive Agency, without prejudice to possible transmission to the bodies charged with monitoring or inspection task in application of Union law.
2. The beneficiary shall have the right of access to his/her personal data and the right to rectify any such data. Should the beneficiary have any queries concerning the processing of his/her personal data, he/she shall address them to the Executive Agency.
3. The beneficiary shall have the right of recourse at any time to the European Data Protection Supervisor.
4. Where the agreement requires the processing of personal data by the beneficiary, the beneficiary may act only under the supervision of the data controller, in particular with regard

⁴ Any question on the application of Regulation (EC) N° 45/2001 should be referred to the Data Protection Officer of the Agency. More information, including the privacy statement on grants and the contact details of the Data Protection Officer of the Agency, are available on the Agency's website (http://ec.europa.eu/eahc/about/data_protection.html).

to the purposes of the processing, the categories of data which may be processed, the recipients of the data, and the means by which the data subject may exercise his/her rights.

5. The beneficiary shall limit access to the data to the staff strictly necessary for the implementation, management and monitoring of the agreement.
6. The beneficiary undertakes to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned in order to:
 - a) prevent any unauthorised person from having access to computer systems processing personal data, and especially:
 - i) unauthorised reading, copying, alteration or removal of storage media;
 - ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;
 - iii) unauthorised persons from using data-processing systems by means of data transmission facilities;
 - b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;
 - c) record which personal data have been communicated, when and to whom;
 - d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the contracting institution or body;
 - e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;
 - f) design its organisational structure in such a way that it meets data protection requirements.

ARTICLE I.10 – FURTHER SPECIAL CONDITIONS

The following additional special conditions apply to this grant agreement:

- I.10.1 The beneficiary shall submit the payment requests in accordance with Article I.5, including the underlying financial statements, in euros. By way of derogation from Article II.14.1. any conversion of actual costs into euros shall be made by the beneficiary at the monthly accounting rate established by the Commission and published on its website applicable on the day when the [payment request in accordance with Article 1.4.is submitted][cost was [incurred][paid]].⁵.

⁵ <http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

- I.10.2 Unless stipulated otherwise in this agreement, ownership of the results of the work programme and activities, including industrial and intellectual property rights, and of the reports and other documents relating to it shall be vested in the beneficiary.

Without prejudice to paragraph above, the beneficiary grants the Executive Agency and the Commission the right to make free use of the results of the work programme as it deems fit, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.

- I.10.3 Without prejudice to Article II.4.1, unless the Executive Agency requests or agrees otherwise, all communications or publications by the beneficiaries, which are related to the work programme, including conferences, seminars, videos and electronic communications or printed matter shall include the following statement: *"This [insert appropriate description, e.g. publication, conference etc;] arises from the project [insert project title] which has received funding from the European Union, in the framework of the Health Programme."*

II -GENERAL CONDITIONS

PART A - LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 - LIABILITY

- II.1.1 The beneficiary shall have sole responsibility for complying with any legal obligations incumbent on him.
- II.1.2 The Executive Agency shall not, in any circumstances or on any grounds, be held liable in the event of a claim under the agreement relating to any damage caused in the implementation of the work programme. Consequently, the Executive Agency will not entertain any request for indemnity or reimbursement accompanying any such claim.
- II.1.3 Except in cases of force majeure, the beneficiary shall make good any damage sustained by the Executive Agency as a result of the implementation or faulty implementation of the work programme.
- II.1.4 The beneficiary shall bear sole liability vis-à-vis third parties, including for damage of any kind sustained by them while the work programme is being implemented.

ARTICLE II.2 - CONFLICT OF INTERESTS

The beneficiary undertakes to take all the necessary measures to prevent any risk of conflicts of interests which could affect the impartial and objective performance of the agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional reasons, or any other shared interest.

Any situation constituting or likely to lead to a conflict of interests during the implementation of the agreement must be brought to the attention of the Executive Agency, in writing, without delay. The beneficiary shall undertake to take whatever steps are necessary to rectify this situation at once. The Executive Agency reserves the right to check that the measures taken are appropriate and may demand that the beneficiary take additional measures, if necessary, within a certain time.

ARTICLE II.3 - CONFIDENTIALITY

The Executive Agency and the beneficiary undertake to preserve the confidentiality of any document, information or other material directly related to the subject of the agreement that is duly classed as confidential, if disclosure could cause prejudice to the other party. The parties shall remain bound by this obligation beyond the period covered by Union funding.

ARTICLE II.4 - PUBLICITY

II.4.1 Unless the Executive Agency requests otherwise, any communication or publication by the beneficiary about the implementation of the work programme, including at a conference or seminar, shall indicate that it has received funding from the Union.

Any communication or publication by the beneficiary, in any form and medium, shall indicate that sole responsibility lies with the author and that the Executive Agency is not responsible for any use that may be made of the information contained therein.

II.4.2 The beneficiary authorises the Executive Agency to publish the following information in any form and medium, including via the Internet:

- the beneficiary's name and the address,
- the subject and purpose of the grant,
- the amount granted and the proportion of the beneficiary's total operating budget covered by the funding.

Upon a reasoned and duly substantiated request by the beneficiary, the Executive Agency may agree to forgo such publicity if disclosure of the information indicated above would risk compromising the beneficiary's security or prejudicing his commercial interests.

ARTICLE II.5 - EVALUATION

Whenever the Commission carries out an interim or final evaluation of the grant's impact measured against the objectives of the Union programme concerned, the beneficiary undertakes to make available to the Commission and/or persons authorised by it all such documents or information as will allow the evaluation to be successfully completed and to give them the rights of access specified in Article II.17.

ARTICLE II.6 - FORCE MAJEURE

II.6.1 Force majeure shall mean any unforeseeable exceptional situation or event beyond the parties' control which prevents either of them from fulfilling any of their obligations under the agreement, was not attributable to error or negligence on their part, and proves insurmountable in spite of all due diligence. Defects in equipment or material or delays in making them available (unless due to force majeure), labour disputes, strikes or financial difficulties cannot be invoked as force majeure by the defaulting party.

II.6.2 A party faced with force majeure shall inform the other party without delay by registered letter with advice of delivery or equivalent, stating the nature, probable duration and foreseeable effects.

II.6.3 Neither of the parties shall be held in breach of their obligations under the agreement if they are prevented from fulfilling them by force majeure. The parties shall make every effort to minimise any damage due to force majeure.

ARTICLE II.7 – AWARD OF CONTRACTS

II.7.1 If the beneficiary has to conclude contracts in order to implement the work programme and they involve eligible costs for the operating budget, he shall award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.

II.7.2 Contracts as referred to in paragraph 1 may be awarded only in the following cases:

- a) they may only cover the execution of a limited part of the work programme;
- b) recourse to the award of contracts must be justified having regard to the nature of the tasks covered by the work programme and what is necessary for its implementation;
- c) the tasks concerned must be set out in Annex I and the corresponding estimated costs must be set out in detail in the budget in Annex II;
- d) any recourse to the award of contracts while the work programme is being implemented shall be subject to prior written authorisation by the Executive Agency;
- e) the beneficiary shall retain sole responsibility for implementing the work programme and for compliance with the provisions of the agreement. The beneficiary must undertake to make the necessary arrangements to ensure that the contractor waives all rights in respect of the Executive Agency under the agreement;
- f) the beneficiary must undertake to ensure that the conditions applicable to him under Articles II.1, II.2, II.3, II.4, II.5, II.8 and II.17 of the agreement are also applicable to the contractor.

ARTICLE II.8 - ASSIGNMENT

Claims for payments to be carried out by the Executive Agency may not be transferred.

In exceptional circumstances, where the situation warrants it, the Executive Agency may authorise the assignment of the agreement, or part thereof, and payments flowing from it to a third party following a written request to that effect, giving reasons, from the beneficiary. If the Executive Agency agrees, it must make its agreement known in writing before the proposed assignment takes place. In the absence of the above authorisation, or in the event of failure to observe the terms thereof, the assignment shall not be enforceable against and shall have no effect on the Executive Agency.

In no circumstances shall such an assignment release the beneficiary from his obligations to the Executive Agency.

ARTICLE II.9 – TERMINATION OF THE AGREEMENT

II.9.1 Termination by the beneficiary

In duly justified cases, the beneficiary may withdraw his request for a grant and terminate the agreement at any time by giving 60 days' written notice stating the reasons, without being required to furnish any indemnity on this account.

If no reasons are given or if the Executive Agency does not accept the reasons, the beneficiary shall be deemed to have cancelled this agreement improperly, with the consequences set out in the third subparagraph of paragraph 4.

II.9.2 Termination by the Executive Agency

The Executive Agency may decide to terminate the agreement, without any indemnity on its part, in the following circumstances:

- a) in the event of a change to the beneficiary's legal, financial, technical, organisational or ownership situation that is liable to affect the agreement substantially or to call into question the decision to award the grant;
- b) if the beneficiary fails to fulfil a substantial obligation incumbent on him under the terms of the agreement, including its annexes;
- c) in the event of force majeure, notified in accordance with Article II.6;
- d) if the beneficiary is declared bankrupt, is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in an analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (e) where the Executive Agency has evidence or seriously suspects the beneficiary or any related entity or person, of professional misconduct;
- f) if the beneficiary has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
- g) where the Executive Agency has evidence or seriously suspects the beneficiary or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Union's financial interests;
- h) where the Executive Agency has evidence or seriously suspects the beneficiary or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the grant;

- i) if the beneficiary has made false declarations, is guilty of misrepresentation or submits reports inconsistent with reality to obtain the grant provided for in the agreement.

In the cases referred to in points (e), (g) and (h) above, any related person shall mean any physical person with powers of representation, decision-making or control in relation to the beneficiary. Any related entity shall mean in particular any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive n° 83/349/EEC of 13 June 1983.

II.9.3 Termination procedure

The procedure is initiated by registered letter with advice of delivery or equivalent.

In the cases referred to in points (a), (b), (d), (e), (g) and (h) above, the beneficiary shall have 30 days to submit his observations and take any measures necessary to ensure continued fulfilment of his obligations under the agreement. If the Executive Agency fails to confirm acceptance of these observations by giving written approval within 30 days of receiving them, the procedure shall continue to run.

Where notice is given, termination shall take effect at the end of the period of notice, which shall start to run from the date when notification of the Executive Agency's decision to terminate the agreement is received.

If notice is not given in the cases referred to in points (c), (f) and (i) above, termination shall take effect from the day following the date on which notification of the Executive Agency's decision to terminate the agreement is received.

II.9.4 Effects of termination

In the event of termination of the agreement, payments by the Executive Agency shall be limited to the eligible costs actually incurred by the beneficiary up to the date when termination takes effect in accordance with the provisions of Article II.15. Costs relating to current commitments that are not due to be executed until after termination shall not be taken into account.

The beneficiary shall have 60 days from the date when termination takes effect, as notified by the Executive Agency, to produce a request for final payment in accordance with Article II.13.4. If no request for final payment is received within this time limit, the Executive Agency shall not reimburse the expenditure incurred by the beneficiary up to the date of termination and it shall recover any amount if its use is not substantiated by the reports on the technical implementation of the work programme and financial statements approved by the Executive Agency.

By way of exception, at the end of the period of notice referred to in paragraph 3, when the Executive Agency is terminating the agreement on the grounds that the beneficiary has failed to produce the final report on the technical implementation of the work programme and the financial statement within the deadline stipulated in Article I.5 and

the beneficiary has still not complied with this obligation within two months following the written reminder sent by the Executive Agency by registered letter with advice of delivery or equivalent, the Executive Agency shall not reimburse the expenditure incurred by the beneficiary up to the end of the period of eligibility for Union funding and it shall recover any amount if its use is not substantiated by the reports on the technical implementation of the work programme and the financial statements approved by the Executive Agency.

By way of exception, in the event of improper termination by the beneficiary or termination by the Executive Agency on the grounds set out in points (a) (e), (g), (h) or (i) above, the Executive Agency may require the partial or total repayment of sums already paid under the agreement on the basis of the reports on the technical implementation of the work programme and the financial statements approved by the Executive Agency, in proportion to the gravity of the failings in question and after allowing the beneficiary to submit his observations.

ARTICLE II.10 - FINANCIAL PENALTIES

By virtue of the Financial Regulation applicable to the general budget of the European Union, any beneficiary declared to be in grave breach of his obligations under the agreement shall be liable to financial penalties of between 2% and 10% of the value of the grant in question, with due regard for the principle of proportionality.

This rate may be increased to between 4% and 20 % in the event of a repeated breach in the five years following the first. The beneficiary shall be notified in writing of any decision by the Executive Agency to apply such financial penalties.

ARTICLE II.11 - SUPPLEMENTARY AGREEMENTS

- II.11.1 Any amendment to the grant must be the subject of a written supplementary agreement. No oral agreement may bind the parties to this effect.
- II.11.2 The supplementary agreement may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of applicants.
- II.11.3 If the amendment is requested by the beneficiary, he must send it to the Executive Agency in good time before it is due to take effect and at all events one month before the date on which eligibility for Union funding ends, except in cases duly substantiated by the beneficiary and accepted by the Executive Agency.

PART B - FINANCIAL PROVISIONS

ARTICLE II.12 - ELIGIBLE COSTS

II.12.1 Eligible costs of the work programme are costs actually incurred by the beneficiary, which meet the following criteria:

- they are incurred during the duration of the work programme as specified in Article I.2.2 of the agreement, with the exception of costs relating to final reports and certificates on the financial statements and underlying accounts;
- they are connected with the subject of the agreement and they are indicated in the estimated overall budget of the work programme;
- they are necessary for the implementation of the work programme which is the subject of the grant;
- 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 according to the usual cost-accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

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

II.12.2 In particular, the following operating costs are eligible provided that they satisfy the criteria set out in the previous paragraph:

- the cost of staff, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration;

The corresponding salary costs of personnel of national administrations are eligible to the extent that they relate to the costs of activities which the relevant public authority would not carry out if the project concerned were not undertaken;

- travel and subsistence allowances for staff, provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved annually by the Commission;

- the purchase cost of equipment (new or second-hand), 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. Only the portion of the equipment's depreciation corresponding to the period of eligibility for Union funding covered by the agreement may be taken into account by the Executive Agency, except where the nature and/or the context of its use justifies different treatment by the Executive Agency;
- costs of consumables and supplies; provided that they are identifiable and assigned to the work programme;
- costs entailed by other contracts awarded by the beneficiary for the purposes of implementing the work programme, provided that the conditions laid down in Article II.7 are met;
- costs arising directly from requirements imposed by the agreement (in particular, audit costs and dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of any financial services (especially the cost of financial guarantees);
- overheads.

II.12.3 The following costs shall not be considered eligible:

- capital increases and return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it according to the applicable national legislation. VAT paid by public bodies is not an eligible cost;
- costs declared and covered by a specific action receiving a Union grant;
- excessive or reckless expenditure.
- contributions in kind

II.12.4 Not applicable

ARTICLE II.13 - REQUESTS FOR PAYMENT

Payments shall be made in accordance with Article I.4 of the Special Conditions.

II.13.1 PRE-FINANCING

Pre-financing is intended to provide the beneficiary with a float.

Where required by the provisions of Article I.4.1 on pre-financing, the beneficiary shall provide a financial guarantee from a bank or an approved financial institution established in one of the Member States of the European Union.

The guarantor shall stand as first demand guarantor and shall not require the Executive Agency to have recourse against the principal debtor (the beneficiary).

The financial guarantee shall provide that it remains in force until the pre-financing is cleared against interim payment(s) or payment of the balance by the Executive Agency to the beneficiary or, in the absence of such clearing, three months after a recovery is notified to the beneficiary by which the Executive Agency asks him to repay the pre-financing. The Executive Agency undertakes to release the guarantee within the following month.

II.13.2 FURTHER PRE-FINANCING PAYMENTS

Where pre-financing is divided into several instalments, the beneficiary may request a further pre-financing payment once he has used up the percentage of the previous payment specified in the provisions of Article I.4.2 on further pre-financing. The request shall be accompanied by the following documents:

- a progress report on the technical implementation of the work programme;
- a detailed financial statement of the eligible costs actually incurred, following the structure of the estimated budget, including a consolidated statement;
- where required by the above-mentioned provisions of Article I.4.2, a financial guarantee in accordance with paragraph 1;
- where required by the above-mentioned provisions of Article I.4, a certificate on the beneficiary's financial statements and underlying accounts, produced by an approved auditor or, in case of public bodies, by a competent and independent public officer. The purpose of the audit is to certify that the financial documents submitted to the Commission by the beneficiary comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared.

- any other documents that may be required by the Special Conditions or Annexes of the grant agreement in support of his request for further pre-financing payment.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.5 and the Annexes.

II.13.3 NOT APPLICABLE

II.13.4 PAYMENT OF THE BALANCE

Payment of the balance, which may not be repeated, is made after the end of the period of eligibility for Union funding on the basis of the costs actually incurred by the beneficiary in carrying out the work programme. It may take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant determined in accordance with Article II.15.

By the appropriate deadline indicated in Article I.5, the beneficiary shall submit a request for payment of the balance accompanied by the following documents:

- a final report on the technical implementation of the work programme;
- a final detailed financial statement of the eligible costs actually incurred, following the structure of the estimated budget, including a consolidated statement;
- a full summary statement of the receipts and expenditure of the technical implementation of the work programme in the beneficiary's accounts for the period of eligibility covered by the agreement;
- where required by the provisions of Article I.4 on payment of the balance, a certificate on the beneficiary's financial statements and underlying accounts, produced by an approved auditor or, in case of public bodies, by a competent and independent public officer. The certificate shall certify, in accordance with a methodology approved by the Commission, that the costs declared by the beneficiary in the financial statements on which the request of payment is based are real, accurately recorded and eligible and that all receipts have been declared, in accordance with the agreement.
- any other documents in support of his request for payment of the balance.

The documents accompanying the request for payment shall be drawn up in accordance with the relevant provisions in Article I.5 and the annexes.

The beneficiary himself shall certify that the information provided in his request for payment is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the agreement, that all receipts have been declared, and that his request for payment is substantiated by adequate supporting documents that can be checked.

On receipt of these documents, the Executive Agency shall have the period specified in Article I.4.3 in order to:

- approve the final report on the technical implementation of the work programme and the detailed financial statement;

- ask the beneficiary for supporting documents or any additional information it deems necessary to allow the approval of the technical implementation report and the financial statement;
- reject the documents referred to in Article I.4.3 and ask for the submission of additional information or a new report.

Failing a written reply from the Executive Agency within the time limit for scrutiny indicated above, the report shall be deemed to have been approved. Approval of the report accompanying the request for payment shall not imply recognition of their regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

Requests for additional information or a new report shall be notified to the beneficiary in writing.

If additional information or a new report is requested, the time limit for scrutiny shall be extended by the time it takes to obtain this information. The beneficiary shall be informed of that request and the extension of the delay for scrutiny by means of a formal document. The beneficiary shall have the period laid down in Article I.4 to submit the information or new documents requested.

Extension of the delay for approval of the report may delay the payment by the equivalent time.

Where a report is rejected and a new report requested, the approval procedure described in this article shall apply.

In the event of renewed rejection, the Executive Agency reserves the right to terminate the agreement by invoking Article II.9.2(b).

II.13.5 COSTS OF TRANSFERS

Costs of the transfers are borne in the following way:

- costs of dispatch charged by the bank of the Commission shall be borne by the Executive Agency;
- costs of receipt charged by the bank of the beneficiary shall be borne by the beneficiary;
- all costs of repeated transfers caused by one of the parties shall be borne by the party who caused repetition of the transfer.

ARTICLE II.14 -GENERAL PROVISIONS ON PAYMENTS

II.14.1 Payments shall be made by the Executive Agency in euro. Any conversion of actual costs into euro shall be made at the daily rate published in the Official Journal of the European Union or, failing that, at the monthly accounting rate established by the Commission and published on its website applicable on the day when the payment

order is issued by the Commission⁶, unless the Special Conditions of the agreement lay down specific provisions.

Payments by the Executive Agency shall be deemed to be effected on the date when they are debited to the Executive Agency's account.

II.14.2 The Executive Agency may suspend the period for payment laid down in Article I.4 at any time for the purposes of additional checks by notifying the beneficiary that his request for payment is not admissible, either because it does not comply with the provisions of the agreement, or because the appropriate supporting documents have not been produced, or because there is a suspicion that some of the expenses in the request for payment are not eligible and additional checks are being conducted.

The Executive Agency may also suspend its payments at any time if the beneficiary is found or presumed to have infringed the provisions of the agreement, in particular in the wake of the audits and checks provided for in Article II.17.

The Executive Agency may also suspend its payments:

- if there is a suspicion of irregularity committed by the beneficiary in the implementation of the grant agreement;
- if there is a suspected or established irregularity committed by the beneficiary in the implementation of another grant agreement or grant decision funded by the General Budget of the Union or by any other budget managed by it. In such cases, suspension of the payments will only proceed where the suspected or established irregularity can affect the implementation of the current grant agreement.

The Executive Agency shall inform the beneficiary as soon as possible of any such suspension by registered letter with acknowledgement of receipt or equivalent setting out the reasons for suspension.

Suspension shall take effect on the date when the letter is sent by the Executive Agency. The remaining payment period shall start to run again from the date when a properly constituted request for payment is registered, when the supporting documents requested are received, or at the end of the suspension period as notified by the Executive Agency.

II.14.3 On expiry of the period for payment specified in Article I.4, and without prejudice to paragraph 2 of this Article, the beneficiary is entitled to interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points; the reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

⁶ <http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

Interest on late payment shall cover the period from the final date for payment, exclusive, up to the date of payment as defined in paragraph 1, inclusive. The interest shall not be treated as a receipt for the purposes of determining the final grant within the meaning of Article II.15.4. The suspension of payment by the Executive Agency may not be considered as late payment.

By way of exception, when the interest calculated in accordance with the provisions of the first and second subparagraphs is lower than or equal to EUR 200, it shall be paid to the beneficiary only upon demand submitted within two months of receiving late payment.

- II.14.4 The Executive Agency shall deduct the interest yielded by pre-financing which exceeds EUR 50 000 as provided for in Article I.4 from the payment of the balance of the amount due to the beneficiary. The interest shall not be treated as a receipt within the meaning of Article II.15.4.

Where the pre-financing payments exceed EUR 750 000 per agreement at the end of each financial year, the interest shall be recovered for each reporting period. Taking account of the risks associated with the management environment and the nature of actions financed, the Executive Agency may recover the interest generated by pre-financing lower than EUR 750 000 at least once a year.

Where the interest yielded exceeds the balance of the amount due to the beneficiary as indicated in Article II.13.4, or is generated by pre-financing referred to in the previous subparagraph, the Executive Agency shall recover it in accordance with Article II.16.

Interest yielded by pre-financing paid to Member States is not due to the Executive Agency.

- II.14.5 The beneficiary shall have two months from the date of notification by the Executive Agency of the final amount of the grant determining the amount of the payment of the balance or the recovery order in application of Article II.15, or failing that of the date on which the payment of the balance was received, to request information in writing on the determination of the final grant, giving reasons for any disagreement. After this time such requests will no longer be considered. The Executive Agency undertakes to reply in writing within two months following the date on which the request for information is received, giving reasons for its reply. This procedure is without prejudice to the beneficiary's right to appeal against the Executive Agency's decision pursuant to Article I.8. Under the terms of Union law in this matter, such appeals must be lodged within two months following the notification of the decision to the applicant or, failing that, following the date on which the applicant learned of the decision.

ARTICLE II.15 - DETERMINING THE FINAL GRANT

- II.15.1 Without prejudice to information obtained subsequently pursuant to Article II.17, the Executive Agency shall adopt the amount of the final payment to be granted to the beneficiary on the basis of the documents referred to in Article II.13.4 which it has approved.

- II.15.2 The total amount paid to the beneficiary by the Executive Agency may not in any circumstances exceed the maximum amount of the grant laid down in Article I.3.2, even if the total actual costs eligible exceed the estimated total eligible costs specified in Article I.3.1.
- II.15.3 If the actual eligible costs at the end of the period of eligibility are lower than the estimated total eligible costs, the Executive Agency's contribution shall be limited to the amount obtained by applying the Union grant percentage specified in Article I.3.2 to the actual eligible costs approved by the Executive Agency.
- II.15.4 The beneficiary hereby agrees that the grant shall be limited to the amount necessary to balance the receipts and expenditure in the operating budget which allows the work programme to be implemented and that it may not in any circumstances produce a profit for him.

Profit shall mean any surplus of the beneficiary's total actual operating receipts over his total actual operating costs. The actual costs to be taken into account shall be those which have been established, generated or confirmed on the date on which the request for payment of the balance is drawn up by the beneficiary for financing other than the Union grant, to which shall be added the amount of the grant determined by applying the principles laid down in paragraphs 2 and 3 of this article. For the purposes of this article, only operating costs shown in the beneficiary's financial statements and falling within the categories set out in the estimated budget referred to in Article I.3.1 and contained in Annex II shall be taken into account; non-eligible costs shall always be covered by non-Union resources.

Any surplus determined in this way shall result in a corresponding reduction in the amount of the grant.

- II.15.5 Without prejudice to the right to terminate the agreement under Article II.9, and without prejudice to the right of the Executive Agency to apply the penalties referred to in Article II.10, if the approved work programme is not implemented or is implemented poorly, partially or late, the Executive Agency may reduce the grant initially provided for in line with the actual implementation of the work programme on the terms laid down in this agreement.
- II.15.6 On the basis of the amount of the final payment determined in this way and of the aggregate amount of the payments already made under the terms of the agreement, the Executive Agency shall set the amount of the payment of the balance as being the amount still owing to the beneficiary. Where the aggregate amount of the payments already made exceeds the amount of the final grant, the Executive Agency shall issue a recovery order for the surplus.

ARTICLE II.16 - RECOVERY

- II.16.1 If any amount is unduly paid to the beneficiary or if recovery is justified under the terms of the agreement, the beneficiary undertakes to repay the Executive Agency the sum in question on whatever terms and by whatever date it may specify.

II.16.2 If the beneficiary fails to pay by the date set by the Executive Agency, the sum due shall bear interest at the rate indicated in Article II.14.3. Interest on late payment shall cover the period between the date set for payment, exclusive, and the date when the Executive Agency receives full payment of the amount owed, inclusive. This provision shall not apply to recipients of a grant which are public authorities of the Member States of the European Union.

Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

II.16.3 If payment has not been made by the due date, sums owed to the Executive Agency may be recovered by offsetting them against any sums owed to the beneficiary, in cases where the beneficiary also has a claim on the Union or the European Atomic Energy Community, after informing him accordingly by registered letter with acknowledgment of receipt or equivalent, or by calling in the financial guarantee provided in accordance with Article II.13.1. In exceptional circumstances, justified by the necessity to safeguard the financial interests of the Union, the Executive Agency and/or the Commission may recover by offsetting before the due date of the payment. The beneficiary's prior consent shall not be required.

II.16.4 Bank charges occasioned by the recovery of the sums owed to the Executive Agency shall be borne solely by the beneficiary.

II.16.5 The beneficiary understands that under Article 299 of the Treaty on the functioning of the European Union, the Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States. An action may be brought against such decision before the General Court of the European Union.

ARTICLE II.17 - CHECKS AND AUDITS

II.17.1 The beneficiary undertakes to provide any detailed information requested by the Executive Agency and/or the Commission by any other outside body authorised by the Executive Agency and/or the Commission to check that the work programme and the provisions of the agreement are being properly implemented.

II.17.2 The beneficiary shall keep at the Executive Agency's disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the agreement for a period of five years from the date of payment of the balance specified in Article I.4.

II.17.3 The beneficiary agrees that the Executive Agency may have an audit of the use made of the grant carried out either directly by its own staff or by any other outside body authorised to do so on its behalf. Such audits may be carried out throughout the period of implementation of the agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the Executive Agency and/or the Commission.

- II.17.4 The beneficiary undertakes to allow the Executive Agency staff and outside persons authorised by the Executive Agency and/or the Commission the appropriate right of access to the beneficiary's premises and to all the information, including information in electronic format, needed in order to conduct such audits.
- II.17.5 By virtue of Council Regulation (Euratom, EC) No 2185/96 and Regulation (EC) No 1073/1999 of the European Parliament and the Council, the European Anti-Fraud Office (OLAF) may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the European Union against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the Executive Agency and/or the Commission.
- II.17.6 The Court of Auditors shall have the same rights as the Executive Agency and the Commission, notably right of access, as regards checks and audits.

SIGNATURES

<p>For the beneficiary</p> <p>Ms./ Mr. First name NAME Function</p> <p><i>Signature</i></p> <p>Done at [place], on _____</p>	<p>For the Executive Agency</p> <p>Mr. Luc BRIOL Director</p> <p><i>Signature</i></p> <p>Done at Luxembourg, on _____</p>
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In [duplicate or three copies or...] in English

ANNEX I
BENEFICIARY'S WORK PROGRAMME

ANNEX II
BENEFICIARY'S OPERATING BUDGET

ANNEX III
REPORTING REQUIREMENTS:
FINAL REPORT, FINANCIAL STATEMENT, AND FINANCIAL INDEPENDENCE FORM TO BE
SUBMITTED

A) FINAL TECHNICAL AND FINANCIAL REPORT

As requested by the provisions of Article I.4, the final report on the technical implementation of the work programme, the final financial statements and other documents shall be drawn up in accordance with the following provisions.

The final report on the technical implementation of the work programme, the final financial statements and other documents referred to in Article I.4 and I.5 must be submitted within 2 months following the end of the period of eligibility for Union funding specified in Article I.2.2., covering the work programme as described in Annex I in accordance with Art.1.2.2.

The beneficiary shall submit two copies of the final report on the technical implementation of the work programme, the final financial statements and the financial independence form in one of the official languages of the European Union, as well as, for administrative and financial purposes, a copy in English.

The final report on the technical implementation of the work programme shall contain a description of the progress and activities of the beneficiary's organisation:

- Qualitative evaluation of the execution of all tasks mentioned in Annex I;
- List of main activities;
- List of seminars, conferences etc., indicating the organiser, number of participants, etc;
- List of travel & subsistence costs in connection with the implementation of the programme of activities;
- Two copies of all published material and the website address with evidences of publicity on Union funding.

The final financial statements shall give details of the eligible costs incurred in carrying out the programme of activities in accordance with the conditions set down in this agreement and its annexes:

- Two copies of the final financial statements in accordance with the structure of the estimated budget in Annex II.

- The final detailed financial statement must be accompanied by an external audit report on the beneficiary's accounts for the period in question (one copy) if the payment request equals or exceeds EUR 100.000 per financial year¹.
- One copy of the balance sheet and incomes and expenditures accounts of the beneficiary for the period in question;
- A full summary statement of the receipts and expenditure in the beneficiary's accounts for the period of eligibility covered by the agreement.
- Financial independence form (see point B) below) filled in according to the template attached in Annex VI of the agreement and certified by an independent auditor. Information provided in this form should cover the period for which the EU operating grant was given.

The final financial statements must be submitted in euro.

Any beneficiary, whose accountancy is established in another currency than euros, shall convert actual costs as registered in his accounts into euros at the monthly accounting rate established by the Commission, published on its website² for the first day of the month the final report is to be submitted by the beneficiary.

B) FINANCIAL INDEPENDENCE FORM

In line with Annex VI of the Commission Decision concerning the adoption of the financing decision for 2012 in the framework of the second programme of Community action in the field of health (2008-13) and on the selection, award and other criteria for financial contributions to the actions to this programme (2012 Work Plan), **non-public organisations** should submit additionally the Financial independence form filled in according to the template attached in Annex VI of the agreement and certified by an independent auditor. Information provided in this form should cover the period for which the EU operating grant was given.

At the time of the submission of the final report, the financial independence will be assessed based on the financial information for the financial year for which the grant was attributed. If these accounts show that during the financial year covered by the grant, the beneficiary received more than 20 % of its core funding from private sector organisations representing a conflicting interest, or from other sources representing a conflicting interest, the entire amount of the grant shall be recovered.

¹ The audit certificate shall certify that the costs declared by the beneficiary in the financial statements on which the request for payment is based are real, accurately recorded and eligible in accordance with the grant agreement)

² <http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

ANNEX IV
INSTRUCTIONS
CONCERNING THE ELIGIBILITY OF TRAVEL AND SUBSISTENCE EXPENSES

(IF COMMISSION'S RULES APPLY)

1. **Flat-rate subsistence allowances** cover all subsistence expenses during missions, including hotels, restaurants and local transport (taxis and/or public transport). They apply in respect of each day of a mission at a minimum distance of 100 km from the normal place of work. The subsistence allowance varies depending on the country in which the mission is carried out. The daily rates will correspond to the sum of the daily allowance and the maximum hotel price set out in Article 13 of Annex VII of the Staff Regulations.¹

Missions in countries other than EU 27, Acceding and Applicant countries and EFTA-EEA countries shall be subject to the prior agreement of the Executive Agency. This agreement shall be related to the objectives of the mission, its costs and the reasons therefore. For these other countries not referred to above, the daily rates will correspond to the sum of the daily allowance and the maximum hotel price set out in Commission Decision C(2008) 6215.²

2. **Travel expenses** are eligible under the following conditions:
 - travel by the most direct and most economic route;
 - distance of at least 100 km between the place of the meeting and the normal place of work;
 - travel by rail: first class;
 - travel by air: economy class, unless a cheaper fare can be used (e.g. Apex); air travel is allowed only for return journeys of more than 800 km;
 - travel by car: reimbursed on the basis of the equivalent first class rail fare.

¹ Regulation 31/1962/EEC laying down the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Economic Community and the European Atomic Energy Agency

² Commission Decision C(2008)6215 of 18 November 2008: General implementing provisions adopting the Guide to missions for officials and other servants of the European Commission

ANNEX V
UNILATERAL COMMITMENT-DECLARATION

**(ONLY FOR BENEFICIARIES WITH THE STATUS OF NON-PUBLIC BODIES
- IF APPLICABLE)**

ANNEX VI
FINANCIAL INDEPENDENCE FORM

**(ONLY FOR BENEFICIARIES WITH THE STATUS OF NON-PUBLIC BODIES
- IF APPLICABLE)**

(THE INSTRUCTIONS DESCRIBED IN ANNEX III APPLY)

ANNEX VII
AUDIT CERTIFICATE TEMPLATE

**(ONLY FOR BENEFICIARIES WITH THE STATUS OF NON-PUBLIC BODIES
- IF APPLICABLE)**

Addressed to

[full name and the address of the Beneficiary concerned¹]

We *[legal name of the audit firm]*, established in *[full address / city / state / province / country]* represented for signature of this audit certificate by *[name and function of an authorised representative]*, hereby certify that:

- we have conducted an audit relating to the cost declared in the Financial Statement(s) per Activity of *[name of Beneficiary]* hereinafter referred to as Beneficiary, and the documents provided in support of the Financial statement (i.e. cost claim, request for payment, Financial independence form) to which this audit certificate is attached, and which is to be presented to the EAHC under agreement *[EAHC grant agreement reference: title, acronym, number]* for the following period(s) covered by the EAHC agreement *[insert period(s) covered by the Financial Statement(s) per Activity]*.
- We confirm that our audit was carried out in accordance with generally accepted auditing standards respecting ethical rules and on the basis of the relevant provisions of the agreement *[EAHC grant agreement reference: title, acronym, number]* and its annexes. The above mentioned Financial Statement(s) per Activity and the Financial independence form were examined and all tests of the supporting documentation and accounting records deemed necessary were carried out in order to obtain reasonable assurance² that, in our opinion, based on our audit:
 - the amount of the total eligible costs (*[insert amount in number]* (*[insert amount in words³]*)) declared in the attached Financial Statement(s) per Activity is complying with the following cumulative conditions⁴:
 - ✓ they are actual and reflect the beneficiary's economic environment;
 - ✓ they are determined in accordance with the beneficiary's accounting principles;
 - ✓ they have been incurred during the periods covered by the Financial Statement(s) per Activity concerned by this audit certificate;
[they also include the eligible costs incurred in drawing up the final reports referred to in Article II.12.1 of this grant agreement, which may be incurred up to two calendar months after the end of the work programme;]
 - ✓ they are recorded in the accounts of the beneficiary at the date of the establishment of this audit certificate;
 - ✓ they are exclusive of any non-eligible costs identified below which are established in Article II.12.3 of the above mentioned grant agreement with the EAHC:

¹ See preamble of the core-agreement.

² Reasonable assurance is an accounting expression meaning a high degree of confidence that information is valid and unaltered.

³ In EUR.

⁴ Article II.12.1 Eligible costs are actual. They are not budgeted costs. Where actual costs are not available at the time of establishment of the audit certificate, the closest possible estimate can be declared as actual if this is in conformity with the accounting principles of the contractor. This must be mentioned in the financial statement. Any necessary adjustments to these claims must be reported in the Financial Statement for the subsequent reporting period. For the last reporting period, only actual costs can be declared.

- capital increases and return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it according to the applicable national legislation. VAT paid by public bodies is not an eligible cost;
- costs declared and covered by a specific action a Union grant;
- excessive or reckless expenditure;
- contributions in kind.

✓ [they are claimed according to the following basis for the conversion rate used of EUR:

❖ the rate applicable on the first day of the month following the end of reporting period]¹

- as declared in the attached Financial Statement(s) per Activity, the total amount of receipts for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*[insert amount in number] ([insert amount in words]²]*);
- as declared in the attached request for payment, the total amount of interest yielded by the pre-financing received from the EAHC for the periods covered by this(those) Financial Statement(s) per Activity is equal to (*[insert amount in number] ([insert amount in words]³]*);
- as declared in the Financial independence form attached, we confirm that the beneficiary's organisation did not receive more than 20 % of their core funding from private sector organisations⁴ representing a conflicting interest, or from other sources representing a conflicting interest during the financial year(s) covered by the grant agreement;
- accounting procedures used in the recording of eligible costs and receipts respect the accounting rules of the State in which the beneficiary is established and permit the direct reconciliation between the costs and receipts incurred for the implementation of the project covered by the EAHC grant agreement and the overall statement of accounts relating to the beneficiary's overall business activity⁵;
- based on our audit, we can conclude that the financial management of the project was carried out in an acceptable manner and in compliance with the requirements of *[EAHC grant agreement reference: title, acronym, number]*

¹ Article II.14.1.

² In EUR.

³ In EUR.

⁴ The term 'private sector' covers 'for-profit' companies/enterprises/corporations, business organisations or other entities irrespective of their legal nature (registered/not registered), ownership (wholly or partially privately owned/state owned) or size (large/small), if they are not controlled by the public.

⁵ Article II.12.1.

- our company [organisation – for competent public officers] is qualified to deliver this audit certificate in full compliance with the Article I.4.2 or I.4.3 of the grant agreement; [Relevant information establishing this qualification is included with this audit certificate;]¹
- as declared in the attached Financial Statement(s) per Activity, the beneficiary paid for this audit certificate a price equal to (*insert amount in number*) (*insert amount in words*²) in which VAT is equal to (*insert amount in number*) (*insert amount in words*³).

Date, signature and stamp of the audit firm

¹ If the auditor is not known internationally or for a competent public officer whose competence to provide an audit certificate has not been attested to by its national authorities.

² In EUR.

³ In EUR.