

FINANCIAL PROVISIONS GUIDE

Grant applications must include a detailed estimated budget in which all prices are given in Euro. Applicants from countries outside the Euro zone must use the conversion rates published in the Official Journal of the EU, series C, on the date of publication of the Call for proposals.

The estimated budget for the application must have revenue and expenditure in balance and show clearly the costs which are eligible for financing from the EC budget.

The allocated grant will not cover more than 75% of the eligible costs.

Applicants shall base the project budget:

1. on real daily staff cost rates. Under no circumstances may these exceed the maximum rates indicated in the table below. Any excess amount will be considered as ineligible. The veracity of these costs may be the subject of an audit;
2. on real daily subsistence rates. Under no circumstances may these exceed the maximum rates indicated in the table below. Any surplus will be considered as ineligible;
3. on real costs with regard to other categories of cost, as indicated in the application form.

Eligible Costs

The general context, nature and amount of expenditure will be considered when assessing eligibility.

The following criteria apply to the cost category for which the cost is estimated and either the associated **number of units** (which will lead to the estimated cost applying the appropriate formula) or the estimated **cost as such**.

To be considered as eligible, costs must satisfy the following general criteria:

- They must relate to activities involving **countries** that are eligible to participate in the preparatory action for an "Erasmus-style" programme for apprentices. Any costs relating to activities undertaken outside these countries or by organisations that are not registered in an eligible country are not eligible unless they are necessary for the completion of the project and duly explained and justified in the application form and /or in the report;
- They must be incurred by the **legal bodies/institutions of the official consortium**;
- They must be **connected** with the project (i.e. relevant and be directly linked to the execution of the project in accordance with the work plan);
- They must be **necessary** for performance of the project;
- They must be **reasonable and justified** and they must accord with the principles of **sound financial management**, in particular in terms of value for money and cost-effectiveness;
- They must be **generated** during the lifetime of the project (i.e. generated by an activity that takes place during the lifetime (duration) of the project / action. Activities taking place before or after the period specified in a Grant Agreement are not eligible for funding;
- They must be **actually incurred** by the beneficiary and members of the consortium and be recorded in their accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- They must be **identifiable and verifiable**.

The applicant's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared at the end of the project with the corresponding accounting statements and supporting documents. For scales of unit costs, this implies that the "number of units" must be recorded in appropriate documents (i.e. time sheets, presence lists, etc.).

Where national taxation and accounting rules do not require an invoice, an accounting document of equivalent value means any document produced in order to prove that the accounting entry is accurate and which complies with the applicable accounting law.

VALUE ADDED TAX

VAT is eligible **only if** the applicant can show that he is unable to recover it.

NON-ELIGIBLE COSTS

Under no circumstance can the following types of costs be considered as eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities (provisions for contractual and moral obligations, fines, financial penalties and legal costs);
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, **unless** the applicant can show that he is unable to recover it;
- costs declared by the applicant and covered by another action or work programme receiving a European Union grant or any other source of funding;
- excessive or reckless expenditure;
- entertainment and representation costs, as well as gifts;
- purchase of capital assets;
- in the case of rental or leasing of equipment, the cost of any buy-out option at the end of the lease or rental period;
- costs associated with the preparation of the application;
- costs of opening and operating bank accounts (costs of transferring funds are eligible);
- costs incurred in relation to any document required to be submitted with the application (audit reports, etc.).

ELIGIBLE DIRECT COSTS

The eligible direct costs for the action are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to performance of the action and which can therefore be booked to it directly. This document contains the definitions of a number of cost categories which are eligible, provided that they satisfy the general eligibility criteria set out above.

ELIGIBLE INDIRECT COSTS

The eligible indirect costs are those costs which, with due regard for the conditions of eligibility described above, are neither identifiable as specific costs directly linked to the project nor can be booked to it directly, but which have nevertheless been incurred in the management of the project. They may not include any eligible direct costs.

The indirect costs of the project eligible for EC funding are a flat-rate amount set at a maximum of 7% of the total amount of eligible direct costs. The corresponding costs need not be justified by accounting documents.

Indirect costs shall not be eligible under a project grant awarded to a beneficiary organisation which is already receiving an operating grant from the Commission during the period in question.

Examples of indirect costs are:

- All costs for equipment related to the administration of the project (i.e. PC's, portables, etc.);
- Communication costs (postage, fax, telephone, mailing, etc.);
- Infrastructure costs (rent, electricity, etc.) of the premises where the project is being carried out;
- Office supplies;
- Photocopies.

Staff Costs

The following applies to all partners of a consortium, e.g. the rules on staff costs apply to all partners (including the applicant) of the consortium.

1. Costs relating to the following categories of staff are considered:
 - Statutory staff, having either a permanent or a temporary individual contract with a partner of the consortium. To be considered in this category, staff must report to the relevant partner organisation as an employee;
 - Temporary staff recruited through a specialised external agency by any of the consortium partners; Costs related to staff working through subcontracting shall be included under the category "Subcontracting costs" (see below);
 - Staff members of Project partners are not allowed to operate in a subcontracting capacity for the project.
2. Applicants should base the project budget on real daily staff cost rates, which cannot exceed the maximum rate indicated in the table below. Any surplus will be considered as ineligible. The veracity of these costs may be the subject of an audit.
3. The rate of the country in which the partner organisation is registered will be applied, independent of where the tasks will be executed (i.e. a staff member of an organisation of Country A working fully or partly in Country B will be budgeted on the basis of the rates of Country A).
4. Real daily staff cost rates are based on average rates corresponding to the applicant's usual policy on remuneration, comprising actual salaries plus social security charges and other statutory costs included in the remuneration. Non statutory costs such as bonuses, leased car, expense account schemes, incentive payments or profit-sharing schemes are excluded.
5. The applicant will define the category of staff and the number of days to be worked on the project, which must be commensurate with the nature of the project and the work plan.
6. The estimated staff costs results from multiplying the number of days with the real daily staff cost rate. Staff costs may be included for all programmes and for all types of projects and networks. The cost of staff assigned to the action, either by

the beneficiary or by the consortium partners, comprises actual salaries plus social security charges and other statutory costs included in the remuneration.

Eligible staff costs are calculated on the basis of scales of eligible unit costs. The table below stipulates the maximum eligible daily rates for each eligible country. The resulting amounts must be included in the budget and will be taken into account when calculating the European Community contribution.

Table : Maximum eligible daily rates (in EUR) for Staff costs

Country			Manager	Researcher Teacher Trainer	Technical	Administrative
Belgique/Belgie	BE	Belgium	376	321	260	203
Bulgarija	BG	Bulgaria	79	71	55	37
Česká republika	CZ	Czech Republic	144	144	104	75
Danemark	DK	Denmark	489	419	341	267
Deutschland	DE	Germany	363	315	253	195
Eesti	EE	Estonia	117	107	75	53
Ellas	EL	Greece	267	228	187	145
España	ES	Spain	295	265	204	143
France	FR	France	424	359	235	179
Eire	IE	Ireland	479	417	348	255
Italia	IT	Italy	568	332	225	187
Kypros	CY	Cyprus	304	267	165	113
Latvija	LV	Latvia	131	107	85	57
Lietuva	LT	Lithuania	103	88	67	47
Luxembourg	LU	Luxembourg	493	423	343	267
Magyarország	HU	Hungary	141	123	93	53
Malta	MT	Malta	129	117	91	65
Nederland	NL	Netherlands	381	333	264	207
Österreich	AT	Austria	419	323	240	199
Polska	PL	Poland	161	133	103	75
Portugal	PT	Portugal	183	161	119	79
Romania	RO	Romania	155	119	93	59
Slovenia	SI	Slovenia	252	227	183	115
Slovenská republika	SK	Slovakia	133	119	95	77
Suomi/Finland	FI	Finland	361	259	213	179
Sverige	SE	Sweden	505	432	355	273
United Kingdom	GB	United Kingdom	469	443	311	224
Island	IS	Iceland	435	396	341	219
Liechtenstein	LI	Liechtenstein	395	324	251	199
Norge	NO	Norway	553	480	392	296
Türkiye	TR	Turkey	193	123	81	52

Subsistence Costs

1. Subsistence costs for staff undertaking travel to another participating country in the framework of the projects are eligible. The budget should be based on the maximum rate in the Subsistence Costs table published below. Any surplus will be considered as ineligible. The rate to be applied is the one of the country of destination, i.e. where accommodation costs are incurred.
2. Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. For information on charging Subsistence Costs for non-staff members please refer to Section 'Other Costs' and 'Subcontracting Costs'.
3. Reimbursement is based on the existing internal rules of the Partner organisations, which may be on an actual cost (reimbursement of receipts) or daily allowance basis. In either case, proof of attendance and overnight accommodation will be required to substantiate declared costs at reporting stage.

4. Subsistence rates cover accommodation, meals and all local travel costs at the place of destination abroad (but not local travel costs incurred to travel from place of origin to place of destination). In calculating the number of days for which to apply the Daily Subsistence Rate it should be noted that a FULL day normally includes an overnight stay. In duly substantiated cases, a full day's allowance without an overnight stay may be allowed with a pro rata reduction (costs limited to 50% of the maximum) for accommodation.
5. A pro rata reduction must be applied if accommodation, meals and local travel costs are provided for by a third party. Eligible subsistence costs are calculated on the basis of scales of eligible unit costs. The Subsistence Table published below comprises the maximum eligible daily rates. The resulting amounts will be included in the budget and will be taken into account when calculating the European Union contribution.

Table : Maximum eligible daily rates for Subsistence costs

Country	Daily rate
Belgique/Belgie - BE	280
Balgarija- BG	173
Ceska Republika - CZ	240
Danmark - DK	387
Deutschland - DE	280
Ellas - EL	267
Eesti - EE	227
Espana -ES	280
France - FR	333
Eire/Ireland - IE	347
Italia - IT	320
Kypros - CY	253
Latvija - LV	213
Lietuva - LT	213
Luxembourg - LU	280
Magyarország - HU	213
Malta - MT	253
Nederland - NL	307
Oesterreich - AT	293
Polska - PL	213
Portugal - PT	253
Romania- RO	187
Slovenija -SI	240
Slovensko -SK	240
Suomi - FI	320
Sverige - SE	320
United Kingdom - UK	387
Island - IS	320

Liechtenstein - LI	333
Norge - NO	387
Türkiye - TR	213

Travel Costs

Travel costs are allocated on the basis of real costs.

1. Travel costs for staff taking part in the project are allowable, provided that they are in line with each partner's usual practices on travel costs.
2. Costs may be claimed only for journeys directly connected to **specific** and clearly **identifiable** project-related activities. For information on charging Travel Costs for non staff members please refer to Section "Other Costs" and "Subcontracting Costs".
3. Reimbursement is based on real costs, independent of the means of travel chosen (rail, bus, taxi, plane, hire car). Partners are required to use the cheapest means of travel (e.g. use Apex tickets for air travel and take advantage of reduced fares, where this is not the case then a full explanation should be provided).
4. The travel cost for a journey should include all costs and all means for travel from the point of origin to the point of destination (and vice versa) and may include visa fees, travel insurance and cancellation costs.
5. Expenses for private car travel (personal or company cars), where substantiated and where the price is not excessive, will be refunded as follows (whichever is the cheapest):
 - Either a rate per km in accordance with the internal rules of the organisation concerned up to a max of €0.22;
 - Or the price of a rail, bus or plane ticket (see point (3) above). Only one ticket shall be reimbursed, independently of the number of people travelling in the same vehicle.
6. For hire cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of travel (also taking account of any influencing factors such as time, large volume of luggage due to the nature of the project). Reimbursement takes place independently of the number of people travelling in the same vehicle.

Equipment costs

1. Purchase, rent or lease of equipment (new or second-hand), including the installation, maintenance and insurance costs, is considered eligible:
 - only when specific and necessary for achieving the goals of the project/action. Proposed equipment costs must always be clearly explained and specifically justified. The rules for procurement apply (see below);
 - provided that it is depreciated in accordance with the tax and accounting rules applicable to the beneficiary / consortium partner incurring the cost, and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action and the rate of actual use for the purposes of the action may be taken into account.

The applicant must explain the rules applied. If the nature and/or the context of its use justify different treatment, this should be duly justified.

- 2 All equipment related to the administration of the project (i.e. PC's, portables, etc.) and all equipment purchased before the start of a project can be covered only by the indirect costs of the project.

Subcontracting costs

1. Costs entailed by procurement contracts for the purposes of carrying out specific and limited work for the project, can be considered eligible when awarded by a partner to an external body, organisation or individual (only if not employed by any of the Partner organisations of the consortium). This includes work such as translation, interpretation and printing, etc.
2. In order to maintain the concept of the project partnership, the management and the general administration of the project may not be subcontracted.
3. Costs are based on a verifiable estimate or, if the subcontractor is identified, on the basis of an offer. The estimate/offer will cover all costs (i.e. staff costs plus travel costs, etc.).
4. The applicant will award the contract to the tender offering best value for money, that is to say, to the tender offering the best cost-benefit ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.
5. Where implementation of the action/project requires sub-contracting or the awarding of a procurement contract, the beneficiary and, where applicable, its partners must obtain competitive tenders from potential contractors and award the contract to the bid offering best value for money, observing the principles of transparency and equal treatment of potential contractors and taking care to avoid conflicts of interests.
For contracts of a value over €60.000, national rules with regard to procurement apply.
6. The total costs for subcontracting may not be more than 30 % of the total direct costs of the project.

Other Costs

Other costs are allocated on the basis of real costs.

1. Costs arising directly:
 - from requirements imposed by the Grant Agreement are eligible (dissemination of information, specific evaluation of the action, audits, reproduction, translation etc.), including the costs of any financial services (notably the cost of financial guarantees);
 - from the realisation of specific products/results of the project are eligible, the production of proceedings of a seminar, the production of a video, the purchase of product-related consumables (reams of paper for printing of publications, blank DVD), etc.

2. All costs incurred through subcontracting must be mentioned under the "subcontracting" category. The category "Other costs" can only contain costs incurred by the partners themselves.
3. In certain cases, other costs which are not covered by the other cost categories mentioned above may also be considered eligible. Some examples are: one-off costs for press releases and publicity, purchase of copyrights and other Intellectual Property Rights, purchase of information materials (books, studies and electronic data); conference fees; registration fees for conferences; rental of exhibition space, etc.

All costs related to the administration of the project (i.e. consumables, supplies, photocopying costs, telephone costs, paper, etc.) are covered by indirect costs of the project.

Conferences and seminars

All the costs related to conferences and seminars must be entered in the appropriate table, including travel and/or subsistence costs of participants.