European Commission
Enterprise & Industry Directorate General

GUIDE FOR APPLICANTS

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NB: DO NOT SUBMIT THE PRESENT GUIDE FOR APPLICANTS WITH THE PROPOSAL

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I. PREPARATION OF THE PROPOSAL

To implement its yearly Grant Work programme, DG Enterprise and Industry awards grants on the basis of proposals submitted following calls published by the Commission, safe exceptions legally justified. The yearly Grant Work programme is available at:

http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/about-our-grants/index_en.htm.

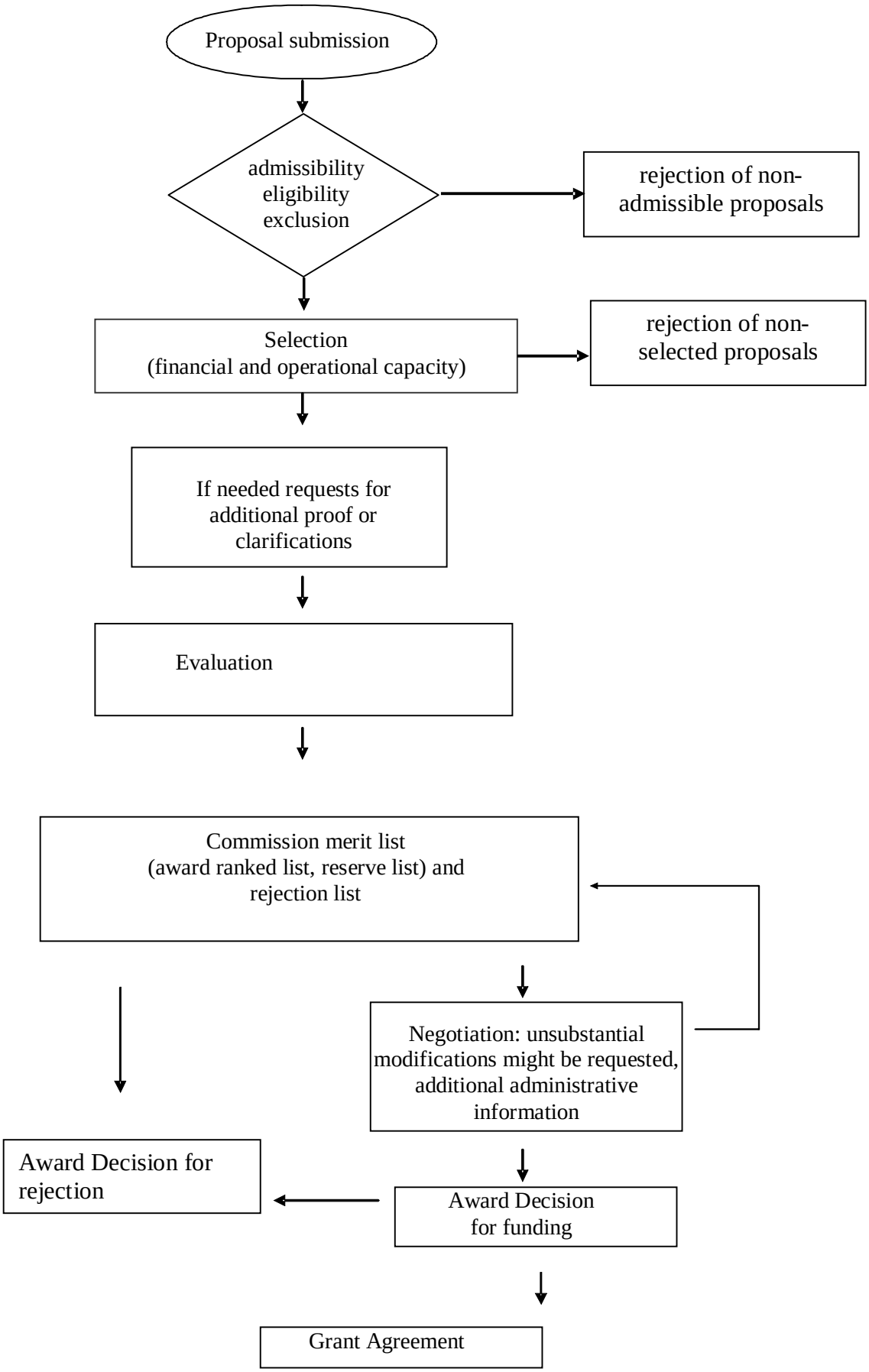
Proposals describe planned activities, information on who will carry them out, and how much they will cost. They must be submitted using a special web-based service before a strictly enforced deadline. The Commission evaluates all eligible proposals in order to identify those whose quality is sufficiently high for possible funding. The evaluation will be carried out by an evaluation committee, possibly assisted by independent experts, when the number of proposals received is high.

The Commission then might negotiate with some or all of those whose proposals have successfully passed the evaluation stage, depending on the budget available. If negotiations are successfully concluded, grant agreements providing for an EU financial contribution are established with the participants.

The sequence of steps is summarised in the flow chart on the next page.

The present document provides guidance on how to complete and submit your proposal from the content point of view.

This Guide for Applicants also contains the essential information to guide you through the mechanics of preparing and submitting a proposal. It is important that you have the correct document. In principle, the guide for applicants is common to all procedures published on the DG Enterprise web site. There is one version for submission by mail and another one for electronic submission. When the guide for applicants is specific to one call, it is published together with the other documents of the call. This document is complementary to the call text published on the DG Enterprise web site, which is specific to each call.


Proposal submission
admissibility
eligibility
exclusion
rejection of non-admissible proposals
Selection
(financial and operational capacity)
rejection of non-selected proposals
If needed requests for additional proof or clarifications
Evaluation
Commission merit list
(award ranked list, reserve list) and rejection list
Negotiation: unsubstantial modifications might be requested, additional administrative information
Award Decision for rejection
Award Decision for funding
Grant Agreement

I.1. DOCUMENTS NEEDED TO PREPARE THE PROPOSAL

Before sending the proposal, please read carefully the specifications of the call for proposals and the draft grant agreement.

I.2. PRESENTING YOUR PROPOSAL

The proposal may be submitted in any of the official languages of the European Union. If your proposal is not in English, a translation of the full proposal would be of assistance to the evaluators. An English translation of the abstract may be included in Part B of the proposal.

The proposal must be submitted electronically. The procedure for the electronic submission is detailed in the EPSS (Electronic Proposal Submission Service) user guide, available in the EPSS tool.

The electronic submission set comprises two parts:

- **Part A to be completed on line**
- **Part B to be uploaded**

Part A will contain the administrative information about the proposal and the participants. The information requested includes a brief description of the work, contact details and characteristics of the participants, and information related to the funding requested. This information will be encoded in a structured database for further computer processing to produce, for example, statistics, and evaluation reports. This information will also support the Commission staff during the evaluation process. The information in Part A is entered through a set of on-line forms.

Part B of the proposal concerns all the forms the Co-ordinator will have to upload into EPSS. A maximum length may be specified for the different sections of Part B, or for Part B as a whole. You must keep your proposal within these limits. Even where no page limits are given, or where limits are only recommended, it is in your interest to keep your text concise to ease the reading of evaluators.

Form B6 is a "template" (see point V), or list of headings, rather than an administrative form. You should follow this structure when presenting the technical content of your proposal. The template is designed to highlight those aspects that will be assessed against the evaluation criteria. It covers, among other things, the nature of the proposed work, the participants and their roles in the proposed project, and the impact that might be expected to arise from the proposed work. Only black and white copies are used for evaluation and you are strongly recommended, therefore, not to use colour in your document.

I.3. STRUCTURE OF THE PROPOSAL

The proposal shall consist of two parts, as follows:

- **Part A:**
  - **Form A/1:** Information on the Proposal and Proposal Summary
  - **Form A/2:** Organisation Profile/Information of Co-ordinator and partners
  - **Form A/3.1:** Forward budget – Expenditure Summary Sheet per partner
  - **Form A/3.2:** Forward budget – Summary

Part A of the proposal should be completed on-line in the EPSS application.

- **Part B:**

Part B of the proposal is to be downloaded and filled in by each partner and uploaded by the Co-ordinator, by following the instructions in the EPSS user guide. Documents can be signed, scanned in .pdf and uploaded, where necessary.

1) **B1 - B2 - Budgetary Forms**, (to be filled and uploaded in Excel, compulsory)
2) **B3 - Co-financing statement form** (only in case of co-financing third parties
3) **B4 - Exclusion form** (compulsory for all partners)
4) **B5 - Financial Statement Form** (Compulsory for private bodies, not used for public bodies.)

5) **B6 - Description of the proposal** (compulsory)

6) **B7 - Curriculum Vitae of the staff that will actually be performing the work involved.**

   http://europass.cedefop.europa.eu/europass/preview.action?locale_id=1

   Compulsory. Users will download the appropriate template and upload the pdf version of this document.)

7) **B8 - Professional references and details of past similar projects**. (Free text to be uploaded as a pdf document. compulsory.)

8) **B9 -** Any other document **needed** for better evidencing 1), 6) or 7).

Forms B1 to B6 are available in the EPSS application, or can be downloaded from the Europa web site at the following address, in the specific page of the relevant call for proposals:

http://ec.europa.eu/enterprise/funding/index.htm

I.4. EQUAL OPPORTUNITY

The European Union has the task to promote equality between women and men and shall aim in all its activities to eliminate gender inequalities (articles 2 and 3 of the Treaty on European Union). In this context, women are particularly encouraged to be involved in proposal submission.

II. PART A - INFORMATION ON THE PROPOSAL AND THE APPLICANT ORGANISATION(S)

Part A: Information on the proposal and applicant organisation(s) consists of:

Form A/1	**Information on the proposal**	*mandatory for the **Co-ordinator***
Form A/1	**Proposal administrative overview**	*mandatory for the applicant **Co-ordinator***
Form A/1	**Proposal summary**	*mandatory for the **Co-ordinator***
Form A/2	**Organisation profile/Information**	*mandatory for each partner*
Form A/3.1:	**Forward Budget – Expenditure Summary Sheet per partner**	*mandatory for each partner*

These forms have to be filled in on-line.

The call for proposal sets out the possibilities and requirements in terms of the number of potential beneficiaries of the grant covered by this call. **Please note that only entities which comply with the provisions set out in section 5 of the call for proposals are eligible to participate in this call.**

II.1. LEAD ORGANISATION

In case of a **mono-beneficiary** grant, the **lead organisation** is the **sole entity** to fill in the forms and in case of award will be the sole beneficiary of the grant and the sole responsible for its proper execution.

In case of a **multi-beneficiaries** grant, the **lead organisation** is the **coordinator of a consortium established between several legal entities or "partners"**. The lead organisation has the full responsibility for ensuring that the action is implemented in accordance with the agreement. It will be the intermediary for all communication between the co-beneficiaries and the Commission and responsible for supplying all documents and information to the Commission.

The partners of a consortium shall agree upon appropriate arrangements between themselves for the proper performance of the action. They shall in particular agree on joint and several responsibility for any amount due to the Commission by anyone of them. To this purpose a power of attorney must be conferred to the appointed co-ordinator, and the arrangements between beneficiaries should be specific with regard to the financial reporting. This power of attorney has to be submitted during the negotiating stage.

Please refer to article I.3.1 of the grant agreement for multiple beneficiaries for further details in this regard.

The lead organisation will have to complete forms **A/1, A/2 and A/3.1 on-line, and complete and upload part B of the proposal in pdf format.**

II.2. PARTNER ORGANISATION

If provided for in the call for proposals, applicants may act in a consortium with **partner** organisations. Each partner entity will be considered as **co-beneficiary** and shall submit the forms A/2 and A/3.1 and provide the necessary information to the lead organisation to upload part B. The partner(s) will also have to sign the Exclusion Criteria form (Form B), which is to be submitted under part B.

Partners participate in the project, for which their costs are borne and to which they contribute financially. They shall forward to the lead organisation the data needed to draw up the report, financial

statements and other documents provided for in the grant agreement. They shall immediately inform the lead organisation of any event liable to substantially affect or delay the implementation of the action. *Please refer to article I.3.2 of the grant agreement for further details.*

II.3. CO-FINANCING THIRD PARTY

A co-financing third party is an entity, who brings financing to the project by way of direct monetary contribution or contribution in-kind (e.g. voluntary work), but who does not in any other way participate in the project.

Such co-financing third parties will have to complete and sign the form B3, the co-financing statement. This document should be submitted in Part B by the co-ordinator.

II.4. SUBCONTRACTORS

A **limited part** of the project may be subcontracted. However, the lead organisation (and its partners if applicable) is solely responsible for the project management or organisation. This part of the project can never be entirely outsourced.

Subcontractors cannot be considered as "partners". Subcontractors are service providers to the lead organisation or the partner(s) who fully fund their activity. Their costs shall be borne by the lead organisation or partner(s). Subcontractors will in principle not contribute financially to the project.

If an activity is subcontracted, this must be clearly specified in the description of the project by indicating the way this will be done (e.g. call for tender). See also chapter VI for further details on subcontracting.

II.5. INSTRUCTIONS ON HOW TO FILL IN THE ADMINISTRATIVE FORMS

In order to assist you in filling in the administrative forms, the following items refer to the corresponding fields to be filled in the EPSS application.

- **FORM A/1**

0. Proposal project acronym

Use a clear, self explanatory title, providing guidance as to the content of the project, preferably expressed in one or two words.

1. Contact person for the proposal (coordinator in case of multiple beneficiaries)

The person indicated as "contact person" will be the unique contact point for the Commission all along the evaluation of the proposal and, in case of award, along the implementation of the project. If there be any change in your contact details at any moment, please communicate immediately your new contact details to the Commission.

2. P. O. Box

If applicable, indicate the number of your Post Office Box for mail delivery.

3. Post Code

If applicable, enter the numerical (alphanumeric for United Kingdom and The Netherlands) post code without being prefixed by the country identifier, e.g. 1000 and not B-1000 or SW1H 9AS and not UK-SW1H 9AS.

4. Cedex

If applicable, indicate Cedex for mail delivery.

5. Telephone n° and Fax n°

Please indicate telephone and fax numbers in the following format, for example (a European Commission telephone number in Brussels, Belgium): (32-2) 2991111 (32 being the country code number; 2 the area code number for international calls; 2991111 the subscriber's number).

· **FORM A/2**

6. Participant Identification Code

The Participant Identification Code is a unique 9 digit number that helps the Commission to identify a participant. It is used in all grant-related interactions between the participant and the Commission.

If your organisation has already participated in a 7th Framework Programme proposal, it is likely that the organisation has already received a PIC number. You can check it on the Participant Portal: http://ec.europa.eu/research/participants/portal ('My Organisations' tab').

If your organisation already has a PIC, it is likely that it has also appointed a Legal Entity Appointed Representative (LEAR). The names of LEARs are not available online, you have to enquire with the administration of your organisation. All participants already possessing a PIC should use it to identify themselves in the Electronic Proposal Submission System. After entering the PIC, parts of the A forms will be filled in automatically.
If a PIC is not yet available for your organisation, you can still submit your proposal by entering the organisation details manually. However, it is strongly recommended that before submitting a proposal via the Electronic Proposal Submission System (EPSS), you self-register your organisation in the Participant Portal under the "My Organisations" "Register" tabs. Before obtaining a temporary PIC, which can then be used in the EPSS, please use the search facility to find out whether your organisation has already received a temporary or validated PIC number. The use of PICs – even temporary ones – will lead to more efficient processing of your proposal.

If you use the PIC of your organisation in the EPSS and the data on your organisation displayed in EPSS seem to contain mistakes, please ask your LEAR to change the data through the Participant Portal. This parallel process has no influence on the preparation and submission of your proposal. The proposal can be submitted even without the correction of such errors. Self-registration in the Participant Portal for receiving a temporary PIC is quick and simple, see http://ec.europa.eu/research/participants/portal (use the tabs "My Organisations" "Register").

Further details on the appointment of LEARs and the use of PICs can be found in the FAQs of the Participant Portal: https://ec.europa.eu/research/participants/portal and on Cordis: http://cordis.europa.eu/fp7/pp_en.html.

7. Organisation Legal Name

If applicable, the name under which the organisation is registered in the official trade register or any other official register.

8. Organisation short Name

Acronym of the lead organisation in the applicant's language.

9. Legal Status

Please use one of the following codes:

GOV: Governmental (local, regional or national public or governmental organisations e.g. libraries, hospitals, schools);

INO: International Organisation (i.e. an international public sector organisation set up by intergovernmental agreements, and specialised agencies set up by such organisations.);

JRC: Joint Research Centre (i.e. the Joint Research Centre of the European Commission);

PUC: Public Commercial Organisation (i.e. commercial organisation established and/or owned by a public authority);

PRC: Private Commercial Organisation including Consultant (i.e. any commercial organisations owned by individuals either directly or by shares).
Please indicate, in such case, the type of organisation (e.g.: SA, LTD, GmbH, independent person…);

EEI: European Economic Interest Group;

PNP: Private Organisation, Non Profit (i.e. any privately owned non profit organisation).

10. Business Area (NACE)

Indicate the principal activity of your organisation, or, in the case of a larger organisation, of the executive division of your organisation making the proposal.

11. Total yearly revenues or resources (from Financial Statement Form)

- For companies or NGOs (should correspond to data in form B5)

Information from the most recent accounting year should be used. The figures should be given for the organisation as a whole and not just for the subsidiary company or the department carrying out the work. It should correspond to the yearly turnover.

- Others (public bodies; …)

For bodies which are not submitted to the normal rules of accountancy, such as public bodies, please provide the Commission with the total yearly revenues/resources in order to give an idea of the economic size of the entity.

12. Number of employees

This part should be filled in by all participants. The figures shall comprise the legal organisation as a whole - not only for the department carrying out the work. Please indicate the number of full-time equivalent employees. (The contribution of part-time staff should be accounted as the equivalent number of full-time staff).

13. Independence

An organisation is independent if less than 25% of the capital or the voting rights is owned by one enterprise or jointly by several enterprises falling outside the definition of an SME (except public investment corporations, venture capital companies and institutional investors, provided no control is exercised either individually or jointly).
Independently of the ownership of capital or voting rights, please specify if any public authority supervises the organisation.

An SME (small and medium-sized enterprise) is defined as an entity that has less than 250 full time equivalent employees, has an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not exceeding EUR 43 million, and is not controlled by 25% or more by a company which is not an SME (source: Commission recommendation 2003/361/EC by 6 May 2003, OJEC L 120, 20/05/2003).

If the organisation is not independent, please provide the legal name(s) of the organisation(s) which own(s) 25 % or more of the organisation or the name(s) of the public authority supervising the organisation.

14. Information concerning participation and involvement

Indicate here the amount of funding in Euro with which the entity intends to co-finance the action. Please check coherence of this amount with form B2.

Indicate whether the co-financing will take the form of "own resources", "monetary contribution", "contribution in kind", or other.

15. Grant applications submitted (or due to be submitted) to European institutions or agencies in the current year – Public officials paid directly from central government or local government budgets.

This part aims to guarantee compliance with the principle of sound financial management and check the absence of a double burden on Member States' taxpayers. For further information on their legal framework see the Consolidated versions of the Financial Regulation and of the Implementing Rules applicable to the general budget of the European Communities (in particular articles 111 FR and 172a – 173 IR).

In particular, the applicant that already receives an operating grant from EC funding will not be eligible for funding indirect costs under this action.

- **FORM A/3.1 Forward Budget – Expenditure Summary Sheet per partner**

  This form has to be compiled after having filled in the excel budget sheets (forms B1 & B2), to be uploaded in Part B in excel format.

  After having compiled the excel sheets for the budgetary forms by following the instructions in section VIII below, all partners can fill in this form with the help of form B/1 that corresponds exactly to form A.3.1.

- **FORM A/3.2 Forward Budget –** summary

  This form presents a consolidated view of the budget for the action per partner – which is created automatically. There is no information to fill in, only to be consulted for verification purposes.

III. CHECKLIST

Please fill in the following questionnaire that will help you presenting a complete proposal.

Be careful to be as precise as possible as incomplete proposals run the risk of being ineligible.

This checklist and the questions below will help you submitting a complete proposal, it is not to be uploaded in EPSS nor to be submitted.

TIME TABLE			
	Yes/No		**Answer**
My proposal respects the scheduled start date :		Start date of proposal:	
My proposal respects the maximum duration of the action		Duration of the action:	
FINANCING			
My budgetary proposal respects the maximum EU co-financing rate in %		My proposed EU co-financing rate in% is:	
My budgetary proposal respects the maximum EU co-financing ceiling in €		My proposed EU co-financing in € is:	
I have duly filled in the budgetary form B/2 providing the sources of co-financing		My co-financing amounts to – in €:	
I have duly filled in the budgetary form B/1 for all costs		My costs amount to – in €:	
I have duly filled in the budgetary form B/1a for staff costs		My costs relating to staff amount to – in €:	
I have duly filled in the budgetary form B/1.3 for subcontracting costs		My costs relating to subcontracting amount to – in €:	
I have provided a co-financing statement of each party co-financing the operation in their original form		My co-financing partners are:	
		They co-finance the following amounts:	
ELIGIBILITY			
My proposal respects the geographical eligibility		Partners of my proposal are legally established in the following countries:	
My proposal respects the legal status criteria stated in 5.2 of the call		My proposal involves the following number of partners (potential future co-beneficiaries):	
Neither I nor my partners are in any of the exclusion situations (art. 93/94 FR)		I have provided the Form B/4. Exclusion Criteria Form in its original form for each partner	
I (and my partners) have filled in forms A		I have provided these forms for each partner in their original form	

My proposal corresponds to the definition of the target organisation (in accordance with section 5 of the call for proposals)		My organisation is/my partner organisations are: (explain how they correspond to the target organisation)	
My proposal is signed, dated and complete, using the standard submission set		I have checked that my proposal includes all forms required	
My proposal is strictly non-profit-making			
SELECTION			
I (and my partners) have the required economic and financial capacity		I have provided the form A/2 and the Financial Statement Form and eventually the annual accounts for the following partners:	
I (and partners) have the required operational capacity		I have included CVs and professional references for the following partners:	

Of importance for the consortium in general, but in particular for the coordinator:

Preparing your proposal

- Does your planned work fit with the call for proposals? Check that your proposed work does indeed address the topics open in this call.
- Is your proposal complete? Proposals must comprise a Part A, containing the administrative information including participant and project cost details on standard forms; and a Part B. A proposal that does not contain both parts will be considered ineligible and will not be evaluated.
- Does your proposal follow the required structure? Proposals should be precise and concise, and must follow exactly the proposal structure described in this document, which is designed to correspond to the evaluation criteria which will be applied. This structure varies for different funding schemes. Omitting requested information will almost certainly lead to lower scores and possible rejection.
- •Have you maximised your chances? There will be strong competition. Therefore, edit your proposal tightly, strengthen or eliminate weak points. Put yourself in the place of an expert evaluator; refer to the evaluation criteria indicated in the call text. Arrange for your draft to be evaluated by experienced colleagues; use their advice to improve it before submission.

Final checks before submission

- Do you have the agreement of all the members of the consortium to submit this proposal on their behalf?
- Check once more the eligibility criteria mentioned in the call! This includes any budget limits. Remember – the information given in part A is considered definitive.
- Is your Part B in portable document format (PDF) or excel format (xls) for the detailed budget sheets, including no material in other formats?
- Is the filename made up of the letters A to Z, and numbers 0 to 9? You should avoid special characters and spaces.
- Have you printed out your form B6 PDF file, to check that it really is the file you intend to submit, and that it is complete, printable and readable? After the call deadline it will not be possible to replace the form B6 through EPSS nor through any other means during evaluation stage.
- Double check that you respect the font size (11 point) and the page limitations for the different chapters!
- Please check that each file under Part B is within the size limit of 10 Mbytes?

- Have you virus-checked your computer? The EPSS will automatically block the submission of any file containing a virus.
- Have you made yourself familiar with the EPSS in good time?
- Have you allowed time to submit a first version of your proposal well in advance of the deadline (at least several days before), and then to continue to improve it with regular resubmissions?
- Have you completed the submission process for your latest version?

Following submission

- Information submitted to the EPSS remains encrypted until the deadline and can only be viewed by the applicant.
- It is strongly recommended that you check that all your material has been successfully uploaded and submitted, that you have submitted the correct Part B files (all the B files mentioned in section I.3 above) and that they are readable and printable.
- You can revise and resubmit your proposal at any time up to the call deadline.

IV. PART B - EVIDENCE OF ELIGIBILITY AND SELECTION

In addition to forms B1 & B2 for the budget and form B6 for the description of the project the following documents, where applicable, need to be submitted:

1. **B4 - Standard Form concerning the Exclusion criteria**
2. **B5 - Evidence in relation to the financial capacity to complete the proposed action**
3. **External audit report**
4. **Evidence in relation to the operational capacity to complete the proposed action**

These documents have to be submitted in pdf format, duly signed where applicable, in Part B of the proposal. Originals will be required if the proposal is to be awarded. These will be requested by the Commission services where necessary.

IV.1. OFFICIAL PROOF OF THE ORGANISATION'S LEGAL STATUS

The Legal Entity form will be submitted only by proposals retained for funding at negotiation stage.

It is not to be submitted at the stage of electronic submission.

A specific form for each Member State is available at the following internet page:
http://ec.europa.eu/budget/contracts_grants/info_contracts/legal_entities/legal_entities_en.cfm

For public entities, the Legal Entity Form(s) shall be duly filled in, signed and accompanied by the relevant evidence:

i) a copy of the resolution, law, decree or decision establishing the entity in question. As an alternative, any other official document attesting to the establishment of the entity by the national authorities may be submitted.

ii) an official VAT document if applicable.

For private entities, the Legal Entity Form(s) shall be duly filled in, signed and accompanied by the relevant evidence:

i) a copy of the VAT registration document if applicable and if the VAT number does not appear on the official document referred to at ii) below

ii) a copy of some official document (official gazette, company register etc.) showing the name of the legal entity, the address of the head office and the registration number given to it by the national authorities.

For individuals, the Legal Entity Form(s) shall be duly filled in, signed and accompanied by the relevant evidence:

i) a legible photocopy of the identity card or passport

ii) an official VAT document if applicable.

If the applicant(s) is or has been in receipt of any EU funds from the Commission within 12 months from the launch of this grant procedure, these documents are not necessary. However a reference must be made to the inherent contract or agreement and the Commission services, which awarded the financing, and a statement that no modifications have taken place.

IV.2. FINANCIAL IDENTIFICATION FORM

The financial identification will be submitted only by proposals retained for funding at negotiation stage.

It is not to be submitted at the stage of electronic submission.

The financial identification form must be duly filled in by the applicant lead organisation only. The lead organisation will be receiving the payment(s) in case of award. In case of a multi-beneficiary grant agreement, the lead organisation will be responsible for distributing payments to the co-beneficiaries.

The form can be downloaded from the following website:

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm

It must be duly filled in and signed, and if applicable be accompanied by the relevant bank statement.

IV.3. FORM B4 - STANDARD FORM CONCERNING THE EXCLUSION CRITERIA

This form can be found in the EPSS application or in the call information at the following address:

http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/about-our-grants/index_en.htm

The applicant lead organisation as well as any partner organisation shall provide this form duly filled in and signed.

IV.4. FORM B5 - FINANCIAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show stable and sufficient sources of funding to ensure the continuity of their organisation throughout the project and, if necessary, to play a part in financing it.

For this purpose, they must provide the form B5 Financial Statement Form, duly filled in and scanned in .pdf format.

Applicants should fill in the Financial Statement Form. Information from the most recent accounting year should be used. The figures should be given for the organisation as a whole and not just for the subsidiary company or the department carrying out the work.

Data has to be introduced only in the yellow cells. All other cells are automatically filled and protected (they cannot be edited).

The “organisation legal name” should correspond to the name(s) indicated in form A/2

The form in .pdf format should be uploaded in Part B of the proposal. Public bodies do not have to fill in this form.

In addition, the applicants (**both lead organisation and partner(s))** may submit if needed:

- § their **annual accounts** (i.e. profit and loss account; balance sheet, financial statement relating to cash-flow) **for the last financial year**.
- § alternatively, in case the above information cannot be fully provided, other information may be provided (tax authorities’ statements, banks' opinions, financing plans, constitution financial statements, provisional accounts, shareholders or mother company guarantee or comfort letters, …).
- § As a mitigating measure to insufficient economic and financial capacity, a beneficiary may voluntarily propose a guarantee equivalent to all or part of the grant being sought.

§ Other mitigating measures may also be proposed such as a State guarantee, a third party guarantee (shareholders, administrators, mother company,…) or a rescheduling of the payment scheme for the action (including a reduction of the pre-financing).

These files also have to be uploaded in Part B in EPSS.

The Commission reserves the right to request the above information during the evaluation of proposals.

Public bodies and international organisations referred to in Article 43 of the Commission Regulation (EC, Euratom) n° 2342/2002, are not requested to submit any proof in relation to their financial capacity.

In the case of an action involving several beneficiaries, the financial capacity of the group as a whole will be verified, and proof must therefore be submitted for all partners of a consortium.

IV.5. EXTERNAL AUDIT REPORT

For actions where the cost to be financed exceeds 500.000 € and for operating grants of over 100.000€, the application shall be accompanied by:

an external audit report produced by an approved auditor.

This report shall certify the accounts for the last year available and provide the possibility for an assessment of the financial viability of the applicant. The report must state the opinion of the auditor and must be qualified.

Those thresholds shall apply to each partner in the case of a consortium.

When the call aims at the conclusion of a framework partnership agreement, the audit covering the last two financial years available must be produced before the framework agreement is concluded.

Public bodies and international organisations as referred to in article 43 of the Financial Regulation are exempt from this obligation.

When provided for in the text of the call for proposals, the obligation of audit may be waived for secondary and higher education establishments and beneficiaries who have accepted joint and several liabilities in the case of agreements with a number of beneficiaries.

This report will have to be scanned and uploaded in .pdf format, in the part B of the proposal, in EPSS, when applicable.

IV.6. OPERATIONAL CAPACITY TO COMPLETE THE PROPOSED ACTION

Applicants must show they have the operational (technical and management) capacity to complete the operation to be supported and must demonstrate their capacity to manage scale activity corresponding to the size of the project for which the grant is requested.

In particular, the team responsible for the project/operation must have adequate professional qualifications and experience.

The applicants must include at least with their grant application form:

- a curriculum vitae of the staff that will actually be performing the work involved and,
- professional references and details of past similar projects.

These documents have to be uploaded in EPSS.

For ease of reference, the curriculum vitae should be submitted in the Europass format which can be found on the following page:

http://europass.cedefop.europa.eu/en/documents/curriculum-vitae

! The evidence requested in this Guide for Applicants is the minimum required. Any other specific requirements and evidence will be expressed in the call for proposals. Please therefore refer to this document before finalising your application.

Applicants must be directly responsible for the preparation and management of the project, not acting as an intermediary.

The obligation to provide the supporting documents serving as proof of financial and technical capacity does not apply to applications for grants with an EU co-financing rate of less than 25,000€ (this threshold refers to the total of grants received by a single beneficiary during one financial year).

However, the applicants in question shall submit a declaration on honour for the purpose of proving the technical capacity.

V. FORM B6 - DESCRIPTION OF THE PROJECT AND EXPECTED RESULTS

Proposals submitted must follow the following structure. It should be uploaded in .pdf format to Part B of the proposal

V.1. OBJECTIVES (MAXIMUM 1 PAGE)

Describe the objectives of the project, which shall be consistent with the aim of the call for proposals. See point 2 of the call.

V.2. JUSTIFICATION (MAXIMUM 3 PAGES)

Please provide the following information:

1. identification of perceived needs and constraints in the target groups;
2. list of target groups with an estimate of the anticipated number of direct and indirect beneficiaries;
3. reasons for the selection of the target groups and activities;
4. relevance of the project to the target groups;
5. relevance of the project to the objectives of the call.

V.3. DETAILED DESCRIPTION OF ACTIVITIES (MAXIMUM 9 PAGES)

Please include a detailed description of each activity. In this respect, the detailed description of activities must not be confused with the plan of action.

V.4. METHODOLOGY (MAXIMUM 4 PAGES)

Please include a detailed description of:

a) methods of implementation;

b) reasons for the proposed methodology;

c) how the project intends to build on a previous project or previous activities (where applicable);

d) procedures for internal evaluation;

e) level of involvement and activity of other participants in the project;

f) role of each participant;

g) team proposed for implementation of the project

The composition of the team implementing the project must be properly described. Team staff should be singled out by function (E.g. project managers, administrator, secretary, external consultant, expert, technical assistant).

For each member of the staff, it should be indicated whether they are "internal staff" or "external staff". "Internal staff" are individuals working for the applicant or partner organisation(s). "External staff" are external consultants, experts, etc. For external staff, indication should be given on the way of their selection (e.g. through a call for tender). The specific tasks which will be allocated to each function should be listed.

! **It is important that thorough thought be given to this point, as the composition of the team must be respected during implementation of the project in order that cost claims can be considered for funding.**

V.5. DURATION AND PLAN OF ACTION

Please indicate the duration of the project in months.

The indicative plan of action should not mention actual dates, but should start with “month 1”, “month 2”, etc. Applicants are advised to foresee a security margin in the proposed plan of action.

The plan of action should not contain detailed descriptions of activities, but only their titles (please ensure that these match the titles listed in relevant section above).

V.6. ESTIMATED IMPACT ON TARGET GROUPS (MAXIMUM 2 PAGES)

Please include information on how the project will improve

a) the situation of the target groups and

b) the managerial and technical capacities of the target groups or the participants (where applicable)

V.7. MULTIPLIER EFFECTS (MAXIMUM 1 PAGE)

Please describe the possibilities for replication and extension of project outcomes.

VI. FORM B3 - COFINANCING FORM

Third parties wishing only to co-finance the action, **without being involved in the grant agreement and its implementation**, have to confirm their intentions by filling and signing form B3. The signed original has to be kept by the Co-ordinator and provided by the proposals retained for funding at the stage of negotiation.

VII. FORMS B1 & B2 - ESTIMATED BUDGET / FINANCIAL GUIDELINES

FORWARD BUDGET

The Budget of the proposal must be composed of the following forms :

1. **Forms B/1 and B/2 Summary Forward Budget:**

   - Expenditure Summary Sheet

   - Financing Plan Summary Sheet

2. **Form B/1 Individual expenditure sheet**
3. **Form B.1.1a Internal Staff Sheet**
4. **Form B.1.1b Working Days Sheet**
5. **Form B.1.2a Travel and Subsistence Sheet**
6. **Form B.1.2b Equipment Sheet**
7. **Form B.1.2c Consumables Sheet**
8. **Form B.1.2d Other costs Sheet**
9. **Form B.1.3 Sub-contracting sheet**

Please start by filling in forms B/1.1a to form B/1.3 in the excel file. The expenditure indicated in the forms B/1.1a to B/1.3 will be summarised automatically in form B/1. The figures shown in form B/1 should be filled in EPSS in form A3/1. The full set of forms should be uploaded in .pdf format to Part B of the proposal.

Past experience from audits has shown that beneficiaries had often an erroneous understanding of how the amount of costs eligible for European Union co-funding has to be calculated. As a consequence the actual EU co-financing was often significantly lower than expected when preparing and agreeing the forward budget for the project. Very serious problems have been experienced in cases where grant beneficiaries used services supplied by third parties to perform the project and where the corresponding costs were not eligible for co-funding because the sub-contracting was not explicitly mentioned in the grant agreement (this concerns ALL services acquired from third parties from catering to work of consultants). In order to avoid these problems the forward budget has to be established starting with detailed information about the different envisaged costs and using the same approach for calculating the planned amount of eligible costs that has to be used later for calculation of the eligible costs actually incurred.

VII.1. SPECIFIC INFORMATION FOR PROJECTS PERFORMED BY MORE THAN ONE BENEFICIARY

Forms B/1.1a to form B/1.3 have to be filled in individually for each partner. The excel sheets are foreseen for up to 20 partners. Once these amounts are filled in, they are automatically transferred to form B/1.

In the individual forms B/1, the indirect costs percentage is set as standard at 7% in the excel file for all partners. If you want to apply a different rate for a partner, you can change it at the level of the partner. We remind you that only when the call text authorises for higher rates or based on real costs

you are entitled to indicate more than 7%. A lower rate is always possible, **for example when one partner already receives an operating grant from EU funds, he must set the rate at 0%, as indirect costs would be ineligible for this, partner.**

On the contrary, the maximum contribution rate can not be changed.

Total eligible costs are automatically reported to the Form B/1 summary sheet. **The co-ordinator will then fill in form B/2 to report the intended funding of these costs**.

VII.2. GENERAL RULES

The budget must cover all eligible costs of the project. The description of all items must be **sufficiently detailed** and all **items broken down** into their main components. The number of units and unit rate must be specified for each component on the basis of the indications provided.

The forward budget must:

1) show all the **costs** and **revenue** that the applicants considers necessary to carry out the project.
2) give an indication on the different types of **human resources** and their related costs (technical, administrative, etc.);
3) be sufficiently detailed to allow **identification**, **monitoring** and **control** of the operation(s) proposed;
4) be **in balance**, i.e. total revenue and total expenditure must be equal

The forms **B/1.1a to form B/1.3** give a good indication of how eligible costs have to be calculated when introducing cost statements.

The total amount must be expressed in **Euro** with maximum 2 decimals (e.g. 112.30€). When filling in form A/3.1 in EPSS, you will have to round the amounts as EPSS does not include any decimals. Please check after rounding that total costs in A/3.1 correspond to total revenues in B2.

Applicant organisations in countries where the Euro is not the national currency are asked to use the official EU exchange rates that can be found on the following website:

http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=countries&Language=en

During the execution of the grant agreement, costs which have been incurred in other currencies than the Euro shall be converted according to the provisions of article II.16.1 of the grant agreement or article I.12 if a derogatory rule is set in the grant agreement applicable to the call.

For selected projects, the final payment will be based on the final financial report at the end of the project and supporting documents.

The Commission reserves the right not to consider unexplained costs items in the amount granted.

VII.3. WHAT COSTS ARE ELIGIBLE?

In order to be eligible for funding under this call for proposals, costs must be:

1. **included in the estimated budget** attached to the agreement,
2. **necessary and reasonable for the implementation** of the action/project,
3. **consistent with the principles of sound financial management**, in particular in terms of value for money and cost-effectiveness;

4. **incurred during the lifetime** of the action/project as defined in the agreement;

5. **actually incurred by the beneficiary**,

6. **recorded** in the beneficiary's accounts in accordance with the applicable accounting principles,

7. **declared** in accordance with the requirements of the applicable tax and social legislation;

8. **identifiable** and **verifiable** and be backed up by original supporting documents.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the action/project with the corresponding **accounting statements and supporting documents**.

VII.4. ELIGIBLE DIRECT COSTS:

The eligible direct costs for the action/project are those costs which, with due regard to the conditions of eligibility set out above, are **identifiable as specific costs directly linked to the performance of the action** and which can therefore be booked to it directly. In particular, the following direct costs are eligible, provided that they satisfy the criteria previously set out:

1. The cost of the beneficiary's / ies' own staff.
2. Travel and subsistence expenses
3. Equipment
4. Consumables
5. Other costs
6. Services subcontracted

They shall not include any eligible indirect costs as it would represent a possible double funding, if the indirect costs are calculated on basis of a lump sum.

VII.5. ELIGIBLE INDIRECT COSTS (ADMINISTRATIVE COSTS)

Indirect costs (or "overheads") are defined as costs which are **not identifiable as specific costs directly linked to performance of the action** which can be booked to it directly, **but which can be identified and justified** by the beneficiary using his accounting system as having been incurred in connection with the eligible direct costs for the action. **They shall not include any eligible direct costs.**

Overheads comprise costs connected with infrastructures and the general operation of the organisation such as hiring or depreciation of buildings and plant, water/gas/electricity, maintenance, insurance, supplies and petty office equipment, communication and connection costs, postage, etc. and costs connected with horizontal services such as administrative and financial management, human resources, training, legal advice, documentation, etc.

A flat-rate amount, not exceeding 7% of the eligible direct costs of the action, is eligible under indirect costs, representing the beneficiary's general administrative costs which can be regarded as chargeable to the action/project. This amount which will show under the heading **"2. Indirect costs"** is calculated automatically to the percentage allowed under the present call.

When specifically authorised by the call for proposals text, the beneficiary may opt for declaring indirect costs on a real cost basis. On condition that the beneficiary has a cost accounting system enabling him to determine the overheads that can be charged to the action in question by means of distribution keys, these costs can be covered on actual costs. In such case, indirect costs are to be identified and substantiated in the accounts.

In such a case, the applicant must indicate in the forward budget the estimated amount of indirect costs and provide a description of the calculation of this estimated amount, including

the allocation keys used to that purpose. **If the accountancy does not allow for the precise determination of such an amount, it is advised to prefer the 7% flat-rate, because those costs would be considered ineligible if the real costs are not supported by accurate accounting evidence**.

Indirect costs may not include costs entered under another budget heading.

Indirect costs are not authorised where the beneficiary already receives an operating grant from the European Commission.

When the call text does not specifically authorise another form of eligibility (like indirect costs calculated on basis of real costs) or a higher rate for indirect costs, only the 7% flat rate will be eligible.

VII.6. NON ELIGIBLE COSTS

The following costs **shall not be considered eligible. They will under no circumstances be part of the reimbursement of costs**:

- 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 by the beneficiary and covered by another action or work programme receiving a Community grant;
- Excessive or reckless expenditure;
- Participation of any staff of European Institutions (attendance or speeches at conferences, seminars, etc);
- **Contributions in kind**
- **Any item for which the Commission refuses, after evaluation of the proposal, to co-finance, and that the beneficiary is ready to maintain and co-finance himself;**

For further information see article II.14 of the draft grant agreement.

VII.7. HOW TO FILL IN FORM B/1 INDIVIDUAL EXPENDITURE SHEET

Form B/1 is a **summary of all costs** introduced in the forms

B.1.1a Internal Staff,
B.1.1b Working Days,
B.1.2a Travel and Subsistence,
B.1.2b Equipment,
B.1.2c Consumables,
B.1.2d Other costs,
B.1.3 Sub-contracting.

These costs are recovered directly from the aforementioned sheets and are not to be re-introduced.

In order to calculate the indirect costs, please indicate the rate authorised for the calculation of the lump sum in the summary sheet B/1. **Unless specifically authorised by the call text, this rate has to be up to maximum of 7%.**

In the case of projects involving several partners, a lump sum will be calculated for each partner on basis of this rate.

If a beneficiary already receives an operating grant from the EC for the budget years where the action is likely to be awarded, the rate to be indicated is zero in the relevant summary sheet. If one beneficiary opts for real indirect costs, instead of a lump sum, the full amount has to be indicated in the row 2 of the summary sheet of the beneficiary concerned, and will replace the calculation made for the lump sum. In such a case a separate sheet showing the estimation of the real indirect costs based on figures from the beneficiary's accountancy must be appended to the estimated budget.

VII.8. HOW TO FILL IN FORM B/1.1A INTERNAL STAFF COSTS

Form B.1.1a on internal staff costs must be filled in individually by each partner in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.

The amounts introduced in this sheet will be automatically tranferred to heading 1.1 in the individual expenditure form B/1.

DEFINITION

Staff assigned to the action is understood to mean permanent or temporary staff employed by the beneficiary (or the associate beneficiaries) during the period of the action. The costs of such staff must be actual salaries plus social security charges and other statutory costs included in the remuneration, provided that these costs do not exceed the average rates corresponding to the usual remuneration policy of the beneficiary or, where applicable, its partners.

Permanent staff is considered as **staff working for the applicant** (and partners, if applicable) on a **permanent basis**.

Temporary staff is considered as composed by **persons employed on a temporary basis** to implement the project (e.g. via an interim agency for the duration of the project). Temporary internal staff should not be confused with external service providers or subcontractors (to be calculated in Form B.1.3).

Civil servants: The salary costs of **personnel of national administrations** are eligible to the extent that they relate to **activities which the relevant public authority would not carry out if the project concerned was not undertaken**.

By signing the documents A/2 applicants declare that their permanent staff will be carrying out the activities additional to its routine activities.

Relevant time sheets signed by the staff and the immediate superior should be kept as supporting documents to justify these costs. An example is made available in annex to this call for proposals. It sets out a monthly time-sheet as well as a consolidated model.

Staff costs must be **actual costs incurred by the beneficiaries** .

To compile the budget sheet B/1.1a, please indicate:

i. the name of the person concerned (if known; mandatory at least for the project manager).
ii. function in the project (e.g. project manager, administrator, accountant, assistant functions, secretaries, etc.)
iii. total number of days/hours to be worked on the project.
iv. total salary costs in currency (please refer to form B/1.1b for this calculation)
v. working hours/days per year (please refer to form B/1.1b for this calculation)
vi. hourly/daily rate in currency (please refer to form B/1.1b for this calculation)
vii. Costs for project in currency
viii. the currency in which the sheet is calculated.
ix. the exchange rate used in order to calculate the total costs in EURO.
x. the costs for the project in € will be calculated automatically on basis of information already introduced.

4 All documents supporting the above costs have to be kept from the very beginning of the project (i.e. employment contracts, timesheets, salary slips, invoices, etc.). The Commission will require them to verify the validity of the request for payment. As an annex to the grant agreement, an excel table should be attached to be filled in during the implementation of the project for each of the permanent staff involved. It will then have to be submitted with the request of financing.

VII.9. HOW TO FILL IN FORM B/1.1B WORKING DAYS

Form B/1.1b on working days must be filled in individually by each partner in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.

This sheet serves as a basis for calculating the costs to be introduced in Form B.1.1a.

CALCULATION

The amount per day will be calculated by dividing the yearly salary by the working days. The yearly salary can be estimated by using total individual annual staff costs for the last financial year and by applying an estimated salary increase for the period under which the project will be implemented, if necessary.

Two figures must be taken into account: the **time** and the **daily** (or hourly) **rate**

Staff costs = **time x rate**; the rate is calculated as follows:

Rate = **total personnel costs / working time**, where:

- **Total personnel costs**: All the salaries and costs entering in the remuneration (group insurances, advantage in kind ...) shall be taken into account. The social security charges must also be taken into account.

- **Working time** is the time actually worked (excluding holidays, bank holidays, weekends and illness). If it is necessary for carrying out the project, time spent on internal meetings, studying general information, training, etc can also be deducted from the working time. If this is done, time spent on these activities may under no circumstances be charged to the project nor may it be included in the calculation of overheads. Furthermore, the time deducted for this purpose needs to be justified with reliable statistics or time recording.

  The working time can be calculated for example as follows:

  Total days in a year *365*

Weekends	*-104*
Annual holidays	*-21*
Statutory holidays	*-15*
Illness/Others	*-05*
Working days in a year	***220***

Important*:*

Activities that **cannot** be deducted for the calculation of the working time and that cannot be charged to the project are: Sales and marketing; Preparation of proposals; Administrative time (often means "unsold" time).

In principle, staff working full-time will be considered for verification purposes to be working 220 days per year, half-time staff 110 days per year. Any substantial deviation from this indicative working time needs to be justified and explained in the proposal, on basis of accounting evidence or a time recording system.

VII.10. HOW TO FILL IN FORM B.1.2A TRAVEL AND SUBSISTENCE COSTS

*Form B/1.2a on travel and subsistance expenses must be filled in **individually by each partner** in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.*

The amounts introduced in this sheet will automatically be tranferred to heading 1.2 in the individual expenditure form B/1.

Only the costs for the **internal staff's travel and subsistence allowances** (considered in the sheet B.1.1a) shall be considered under this heading.

Travel costs of subcontractors, if applicable, are to be included in their subcontracts (please refer to Form B.1.3).

Subscription fees to conferences or events, where relevant, should be charged under "other costs" (please refer to Form B.1.2d).

Reimbursement of travel costs can be requested for meetings, European conferences, etc. provided that they are in line with the usual practices of the beneficiary or, where applicable, its partners on travel costs or do not exceed the scales approved annually by the Commission (http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/documents/perdiem_2009 12_version_to_be_published.pdf), 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);
- travel by car: reimbursed on the basis of the equivalent first class rail fare.

Flat-rate subsistence allowances cover all subsistence expenses during missions, including hotels, restaurants and local transport (taxis and/or public transport). They apply for each day of a mission at a minimum distance of 100 km from the normal place of work in the context of the project forming the subject of the grant agreement.

Please note that tips will not be considered as eligible costs.

Beneficiaries who want to declare travel costs as eligible costs of the project will have to provide the following information for each travel (of at least 100 km between the place of the mission and the normal place of work):

i) Names or functions of the people involved
ii) Journey and dates (even tentative)
iii) Purpose of the travel (this must refer clearly to one activity of the project)
iv) Subsistence costs: total number of days of the travel x flat rate subsistence allowance (per diem) or an estimate of the real costs per day (per person)
v) Cost of travel (estimation)

The total will be calculated automatically.

Form B.1.2a gives an indication how eligible travel costs have to be calculated when introducing costs claims for refunding.

For the purpose of establishing the forward budget, it is sufficient to indicate an estimated total amount in form B1 expenditure summary sheet. Form B.1.2 a may be helpful for the estimation.

4 All documents supporting the above costs have to be kept from the very beginning of the project (e.g. travel tickets, boarding passes, invoices from the travel agency, etc.) The Commission will require them to verify the validity of the request for payment. For the *per diem* allowances, no supporting documents are required; only a declaration of the applicant on the applicable *per diem* in its organisation is needed.

VII.11. HOW TO FILL IN FORM B.1.2b EQUIPMENT

*Form B/1.2b on equipment must be filled in **individually by each partner** in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.*

The amounts introduced in this sheet will be automatically tranferred to heading 1.2 in the individual expenditure form B/1.

Only **equipment which is strictly necessary to purchase for the purposes of carrying out the action** can be charged as direct costs. This thus excludes any computer equipment, office material, furniture, etc. that the applicant needs for his daily activities and that will be normally covered by indirect costs.

Items purchased prior to the action, even if they are used for the purposes of the action, **cannot be considered eligible direct costs** of the action (the use of existing equipment and the beneficiary's installations is partly covered via the indirect cost).

Only **the portion of the equipment's depreciation corresponding to the duration of the project** and the rate of actual use for the purposes of the project can be taken into account by the Commission, except where a different arrangement is justified by the nature and/or context of the equipment's use.

In choosing their depreciation rates, applicants must comply with experience and practice in their sector of activity, the general tax rules and the degree and conditions of use of the items concerned. When the period of depreciation has been chosen, it must be the same for any given category of goods used in similar conditions.

The calculation of equipment costs is the following:

$$EquipmentCosts = PurchaseValue * DepreciationRate * \frac{Duration}{LifeTime} * RateOfUse$$

§ **Duration** is the actual equipment duration for the project and
§ **RateOfUse** is the relevant proportion of time that the equipment is used for the project.

The rent can be considered exclusively for professional offices, meeting rooms, etc. necessary for the project. These costs also cover the charges related to the rent.

Two cases can be encountered:

(1) The working space is used exclusively for the project: All rent costs related to the working space can be taken into account for the project

(2) The working space is not used exclusively for the project: Only the share of the rent costs related to the project can be taken into account for the project. Evidence justifying the calculation of this share can be required. Two methods can be used for this calculation using different allocation keys.

1. $$a)\ \text{Rent Costs} = \text{Total Rent} * \frac{\text{Project Equivalent Full Time Persons}}{\text{Total Equivalent Full Time Persons}}$$

2. $$b)\ \text{Rent Costs} = \text{Total Rent} * \frac{\text{Square Meters used for the Project}}{\text{Square Meters in Total}}$$

Beneficiaries who want to declare costs of equipment or office rent as eligible costs of the project will have to provide the information required in forms B.1.2 b.

For the purpose of the establishment of the forward budget it is sufficient to indicate an estimated amount in B/1 expenditure summary sheet. Form B.1.2 b may be helpful for the estimation.

4 All documents supporting the above costs (e.g. rent contract, invoices, proof of payment (bank statements)) have to be kept from the very beginning of the project. The Commission will require them to verify the request for payment validity.

VII.12. HOW TO FILL IN FORM B.1.2C CONSUMABLES

*Form B/1.2c on consumables must be filled in **individually by each partner** in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.*

The amounts introduced in this sheet will be automatically tranferred to heading 1.2 in the individual expenditure form B/1.

Only the costs of those items which are **directly linked** to the performance of the operation, **identifiable and assigned** to the action shall be considered under this heading. Please note that the fact that the costs are specific to the action is the key factor that makes these costs eligible for Community funding (for ex. the costs of purchasing promotional material for the operation which the beneficiary has to promote).

This heading includes items "consumed" by the project, i.e. material that is used-up by the end of the project. Such items should not be confused with equipment which lasts longer. The consumables should not be part of the fixed assets of the organisation nor written off. They should not be confused with indirect costs.

Examples of costs which might be eligible under this heading: CD-ROMs, leaflets and gadgets, etc.

More general office supplies, stamps or other stationary is comprised in the indirect costs and cannot be considered under this heading.

You are advised to ask your suppliers of the “specific” consumables to clearly indicate the link to the project on their invoices.

Beneficiaries who want to declare costs of consumables as eligible costs of the project will have to provide the information required in forms B.1.2 c.

For the purpose of the establishment of the forward budget it is sufficient to indicate an estimated amount in B/1 expenditure summary sheet. Form B.1.2 c may be helpful for the estimation.

4 All documents supporting the above costs (e.g. invoices) have to be kept from the very beginning of the project. The Commission will require them to verify the request for payment validity.

VII.13. HOW TO FILL IN FORM B/1.2D MISCELLANEOUS

*Form B/1.2d on miscellaneous must be filled in **individually by each partner** in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.*

The amounts introduced in this sheet will be automatically tranferred to heading 1.2 in the individual expenditure form B/1.

This cost category should cover any other direct eligible costs, which cannot logically be included under any of the categories.

Beneficiaries who want to declare other costs/miscellaneous as eligible costs of the project will have to provide the information required in forms B.1.2 d.

For the purpose of the establishment of the forward budget it is sufficient to indicate an estimated amount in B/1 expenditure summary sheet. Form B.1.2 d may be helpful for the estimation.

4 All documents supporting the above costs (e.g. invoices) have to be kept from the very beginning of the project. The Commission will require them to verify the request for payment validity.

VII.14. HOW TO FILL IN FORM B.1.3 SERVICES SUBCONTRACTED

*Form B/1.3 on subcontracting must be filled in **individually by each partner** in case a proposal is submitted by a consortium. In case of a single applicant, it shall of course only be filled in once.*

The amounts introduced in this sheet will be automatically tranferred to heading 1.3 in the individual expenditure form B/1.

Before filling in this sheet, **please note that subcontracting does not limit the responsibilities of beneficiaries.**

Please also note that the beneficiary/ies has/have to have the necessary capacity to perform the project. Only tasks that are not core business can be sub-contracted to service providers.

The accepted amount of subcontracting may be limited to a certain percentage of eligible costs. Please refer to the call for proposals for further indications.

This heading covers the costs of **subcontracting** or provision of services **arising directly from requirements linked to the performance of the action/project**.

Important note on subcontracting costs: These cover all new contracts that the beneficiary would have to conclude for the purposes of carrying out the action including **human resources which are not permanent or temporary staff employed by the beneficiary** (or either of the beneficiaries in case of multiple beneficiaries).

Examples of possible services that might be considered as subcontracting: *dissemination of information, specific evaluation of the action/project, audits, translations, reproduction, etc*

On the contrary, travel & subsistence for permanent staff, consumables and equipment are to be indicated in the relevant dedicated sections.

Where implementation of the assisted actions requires the award of procurement contracts, beneficiaries of grants shall award the contract to the tender offering best value for money, that is to say, to the tender offering the best price-quality ratio, while taking care to avoid any conflict of interests.

This means contacting a minimum of three service providers, allowing them the same time to propose an offer and the same conditions to bid. The service provider will be selected according to pre-established criteria where price and quality will determine the award. The calculation of the ratio must be explained.

Any exception to this process must be precisely justified in the proposal and subject to authorisation by the Commission services.

It is therefore necessary to justify the awarding of contracts

Specific conditions for subcontracting are laid down in **Article II.9 of the grant** agreement and may also be the object of specific provisions, in case the awarding authority decides to implement specific rules for amounts superior to 60,000 €, that would be then reflected in a specific article of the grant agreement and specified in the call for proposals. **The proposal must document, for all cases of sub-contracting, the tendering process envisaged for each subcontracted service**.

The sheet "B/1.3 Subcontracting sheet" must be duly filled in and submitted with the application. This sheet is mandatory, but can be submitted in a draft format if names and specific amounts are not known in advance. **Eventual modifications to this sheet and heading 1.3 on an *ad hoc* basis while the action is under way must be presented for approval to the Commission**. **The tendering process does not need to be performed before the submission of the application. On the contrary, subcontractors indicated without resulting from a tendering process might lead to the ineligibility of the corresponding costs.**

4 All documents supporting the above costs (e.g. invoices and documents of the tendering process like the offers received and the invitations to submit an offer) have to be kept from the very beginning of the project. The Commission will require them to verify the request for payment validity.

VII.15. FORM B/2 - FINANCING PLAN SUMMARY SHEET

The income side of the forward budget should show:

- the **direct monetary contribution from the applicant** and, if applicable, its contribution from its **own resources** (e.g. cost of personnel involved,…);
- the **direct monetary contribution from any other fund providers** and/or, exceptionally, other kinds of contribution (please specify, in such case and with a breakdown, the direct monetary contribution and other kinds of contribution);
- any **income generated by the project** (e.g. the yield from sales of publications during the operation, or the fees charged to participants attending a conference);
- the **grant sought from the Commission**, with a breakdown where several applications have been made to the Commission;
- the estimated **bank interest** (if any) generated by the grant requested over the period of implementation of the operation.

VII.16. CONTRIBUTIONS IN-KIND

Not allowed for this call.

VIII. EVALUATION GUIDELINES

VIII.1. 1. SUBMISSION AND OPENING OF APPLICATIONS

Proposals must be submitted electronically, using the Commission's Electronic Proposal Submission Service (EPSS). Proposals arriving at the Commission/agency by any other means are regarded as 'not submitted', and will not be evaluated.

All the data that you upload is securely stored on a server to which only you and the other participants in the proposal have access until the deadline. This data is encrypted until the close of the call. You can access the EPSS from the call page on the following address: http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index_en.htm

Full instructions are found in the "EPSS preparation and submission guide", available from the EPSS entry page (click on "EPSS user guide"). The most important points are explained below.

Use of the system by the proposal coordinator

As a coordinator you can:

- Register as interested in submitting a proposal to a particular call;
- Set up (and modify) your consortium by adding/removing participants;
- Complete all of Part A of the proposal, pertaining to the proposal in general, and to your own administrative details;
- Download the document template for writing Form B6 Description of Work – Technical Proposal and, when it is completed, upload it
- Submit the complete proposal Part A and Part B.

Use of the system by the other participants

Other participants can:

- Complete their own sections A2 (participant details);
- Download the document template for writing Part B of the proposal, in order to assist the Coordinator in preparing it (however, only the coordinator can upload the finished version);
- View the whole proposal.

Submitting the proposal

Only the coordinator is authorised to submit the proposal. Completing the Part A forms in the EPSS and uploading a Part B does not yet mean that your proposal is submitted. Once there is a consolidated version of the proposal, you must press the button "SUBMIT NOW". (If you don't see the button "SUBMIT NOW", first select the "SUBMIT" tag at the top of the screen).

Please note that "SUBMIT NOW" starts the final steps for submission; it does not in itself cause the proposal to be submitted.

After reading the information page that then appears, it is possible to submit the proposal using the button marked "Press this button to submit the proposal". The EPSS then performs an automatic validation of the proposal. A list of any problems ("validation error message") such as missing data, viruses, wrong file format or excessive file size will then appear on the screen. Submission is blocked until these problems are corrected. Once corrected, the coordinator must then repeat the

above steps to achieve submission. If successfully submitted, the coordinator receives a message that indicates that the proposal has been received. This automatic message is not the official acknowledgement of receipt.

The coordinator may continue to modify the proposal and submit revised versions overwriting the previous one right up until the deadline. The sequence above must be repeated each time.

If the submission sequence described above is not followed, the Commission considers that no proposal has been submitted. For the proposal Part B you must use exclusively PDF ("portable document format", compatible with Adobe version 3 or higher, with embedded fonts) and an excel sheet (.xls) for the budget. Other file formats will not be accepted by the system. Irrespective of any page limits specified in annex 4 to this Guide, there is an overall limit of 10Mbyte to the size of proposal file Part B. There are also restrictions to the name you give to the Part B file. You should only use alphanumeric characters. Special characters and spaces must be avoided.

You are advised to clean your document before converting to PDF (e.g. accept any track changes). Check that your conversion software successfully converts all pages and the original document (e.g. there is no problem with page limits). Please note that the Commission prints out proposals on plain A4 paper. The printable zone on the print engine is bounded by 1.5 cm right, left, top bottom. No scaling is applied to make the page "fit" the window. Printing is done at 300 dots per inch.

About the deadline

Proposals must be submitted on or before the deadline specified in the Call fiche. It is your responsibility to ensure the timely submission of your proposal.The EPSS will be closed for this call at the call deadline. After this moment, access to the EPSS for this call will be impossible.

Do not wait until the last moment before submitting your proposal!
Call deadlines are absolutely firm and are strictly enforced.

Please note that you may submit successive drafts of your proposal through the EPSS. Each successive submission overwrites the previous version. **It is a good idea to submit a draft well before the deadline.**

Leaving your first submission attempt to the last few minutes of the call will give you no time to overcome even the smallest technical difficulties, proposal verification problems or communications delays which may arise. Such events are never accepted as extenuating circumstances; your proposal will be regarded as not having been submitted.

Submission is deemed to occur at the moment when the proposal coordinator completes the submission sequence described above. It is not the point at which you start the upload. If you wait until too near to the close of the call to start uploading your proposal, there is a serious risk that you will not be able to submit in time. If you have registered and submitted your proposal in error to another call which closes after this call, the Commission will not be aware of it until it is discovered among the downloaded proposals for the later call. It will therefore be classified as ineligible because of late arrival.

The submission of a proposal requires some knowledge of the EPSS system, a detailed knowledge of the contents of the proposal and the authority to make last-minute decisions on behalf of the consortium if problems arise. You are advised not to delegate the job of submitting your proposal!

In the unlikely event of a failure of the EPSS service due to breakdown of the Commission server during the last 24 hours of this call, the deadline will be extended by a further 24 hours. This will be notified by e-mail to all proposal coordinators who had registered for this call by the time of the original deadline, and also by a notice on the Call pages on
http://ec.europa.eu/enterprise/contracts-grants/calls-for-proposals/index_en.htm as well as on the web site of the EPSS.

Such a failure is a rare and exceptional event; therefore do not assume that there will be an extension to this call. If you have difficulty in submitting your proposal, you should not assume that it is because of a problem with the Commission server, since this is rarely the case. Contact the EPSS help desk if in doubt. Please note that the Commission will not extend deadlines for system failures that are not its own responsibility. In all circumstances, you should aim to submit your proposal well before the deadline to have time to solve any problems.

Correcting or revising your proposal

Errors discovered in proposals submitted to the EPSS can be rectified by simply submitting a corrected version. So long as the call has not yet closed, the new submission will overwrite the old one. Once the deadline has passed, however, the Commission can accept no further additions, corrections or re-submissions. The last eligible version of your proposal received before the deadline is the one which will be evaluated, and no later material can be submitted.

Ancillary material

Only the documents contemplated in these guidelines for the Part B can be uploaded. Unless specified in the call, any hyperlinks to other documents, embedded material, and any other documents (company brochures, supporting documentation, reports, audio, video, multimedia etc.) sent electronically or by post, will be disregarded.

Withdrawing a proposal

You may withdraw a proposal before the deadline by submitting a revised version with an empty Part B section, with the following words entered in the abstract field of form A:
"The applicants wish to withdraw this proposal. It should not be evaluated by the Commission".
If you wish to withdraw a proposal after the deadline, please contact the EPSS help desk.

VIII.2. 1. EVALUATION AND SELECTION OF APPLICANTS AND PROJECTS/ACTIONS

- Please note that the brief electronic message given by the EPSS system after each submission is not an official acknowledgement of receipt. This message does not imply that a proposal has been accepted as eligible for evaluation.

- All applications will be examined and assessed by an evaluation committee, set up for that purpose by the concerned department.

  The assessment of each proposal will be based on the information provided by the applicants in the proposal submitted in reply to this call for proposals. In addition, the Commission reserves the right to use any other information from public or specialist sources.

  All the information will be assessed in light of the **eligibility, selection and evaluation criteria** set out in the call for proposals.

  The evaluation committee may ask an applicant to provide additional information or to clarify the supporting document submitted in connection with the application, in particular in the case of evident material errors.

- At the end of the evaluation, proposals will be classified in either:

  a list of proposals which may receive Community funding, in order of ranking, based on the score obtained after evaluation, and indicating the proposed amount to be financed by Community funds, or,

  a list of rejected proposals, stating the reasons for rejection (ineligible proposal, beneficiary failed to meet selection criteria, proposal failed to meet award criteria or did so only partly or is not amongst the best proposals proposed for award given their ranking).

The Commission reserves the right to establish, in addition, a reserve list composed of proposals which have obtained a score above the thresholds mentioned in the evaluation criteria form (annex 3 to the call for proposals) in order of ranking.

The conclusion of the evaluation committee is recorded in a report signed by the members of the committee and proposed to the authorising officer.

- Soon after the completion of the evaluation, the results will be finalised and all co-ordinators will receive a letter containing initial information on the results of the evaluation. Even if the evaluation committee viewed your proposal favourably, the Commission cannot at this stage indicate if there is a possibility of EU funding. The letter will give the relevant contact details and the steps to follow if you consider that there has been a shortcoming in the conduct of the evaluation process.

- If all has gone well, this letter will mark the beginning of a negotiation phase. Due to budget constraints, it is also possible that your proposal will be placed on a reserve list. In this case, negotiations will only begin if funds become available. In other cases, the letter will explain the reasons why the proposal cannot be funded on this occasion.

- Negotiations between the applicants and the Commission aim to conclude a grant agreement which provides for EU funding of the proposed work. They cover both the operational and the administrative and financial aspects of the project. Only unsubstantial changes can be proposed to correct the budget or the technical proposals. Budget reductions might also be proposed. It will also be the occasion to provide further administrative information like the legal entity file and the financial identification form or the originals of part B files that had to be scanned and uploaded. The information letter will stipulate how and when these documents will have to be provided.

- For participants not yet having a Participant Identification Code (PIC), i.e. not yet being registered and validated in the Commission's database, their existence as legal entities and their legal status will have to be validated before a grant agreement can be signed. For these participants, the procedure of registration and validation is triggered by a self-registration in the web interface of the Participant Portal at http://ec.europa.eu/research/participants/portal. This self-registration will lead to a request by the Commission to the organisation to provide supporting documents and to nominate a Legal Entity Authorised Representative (LEAR).

  The LEAR is a person nominated in each legal entity participating in Commission grants. This person is the contact for the Commission/agency related to all questions on legal status. He/she has access to the online database of legal entities with a possibility to view the data stored on his/her entity and to initiate updates and corrections to these data. After the validation of the entity has been finalised, the contact person/authorized representative named in the URF (Unique Registration Facility) receives the PIC number. Once the LEAR is validated, he/she manages the modifications of the entity-related information in the Participant Portal and distributes the PIC number within his/her organisation. Further details can be found on the Participant Portal http://ec.europa.eu/research/participants/portal/home and on Cordis http://cordis.europa.eu/fp7/pp_en.html.

VIII.3. 2. DECISION OF THE CONTRACTING AUTHORITY

On the basis of the list of merit drawn up by the evaluation committee, and after positive conclusion of the negotiation stage, the authorising officer adopts the final list for allocation of the grants.

Please note that a decision to reject an application or not to award a grant will be based on the following grounds:

- the application was submitted after the closing date;
- the application is incomplete or otherwise non-compliant with the stated administrative conditions or in any other way does not comply with the eligibility criteria as set out in chapter 5 of the call for proposals;

- the applicant or one or more participants are ineligible;
- the technical capacity is considered insufficient;
- the financial capacity is considered insufficient;
- the proposal has not reached the minimum scores as indicated in the evaluation criteria attached to the call for proposals.
- the score obtained by the proposal is not ranked amongst the best proposals considered for the award.

The Commission's decision to reject an application or not to award a grant is final.

The authorising officer may also decide to request applicants, whose proposals have been considered for award to make certain limited adaptations to their proposal in the negotiation phase. In such case, these applicants will receive a formal letter setting out the requested modifications. Any such modifications must stay within the limits of the request. This phase will not lead to a re-evaluation of the proposals, but a proposal might be rejected if refusing to ensure a positive follow-up to the request.

Proposals included in a reserve list are to be considered as rejected.

Should the Commission decide to award a grant to any of the proposals placed on the reserve list, the applicants will be informed. The reserve list will expire six months after the notification of the results of the call. After that date, proposals on the reserve list will be considered definitively rejected.

The reserve list will be used in case the beneficiaries for which a project has been retained for funding decline to sign the grant agreement or refuse to accept the proposed amendments. In exceptional cases, the Commission might decide to grant additional funding.

VIII.4. 3. POST INFORMATION AND COMPLAINTS

- All applicants will be informed in writing of the Commission's decision concerning their application.
- Please note that, in case of award, the beneficiary authorises the Commission, to publish the following information in any form and medium, including via the Internet:
  - the beneficiary's/ies name and the address,
  - the subject and purpose of the grant,
  - the amount granted and the proportion of the action's total cost covered by the funding.
- Your grant application will be processed by computer. All personal data (such as names, addresses, CVs, etc.) will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the EU institutions and bodies and on the free movement of such data.[1]

  Your replies to the questions in the submission set are necessary in order to assess your grant application and they will be processed solely for that purpose by the department responsible for the EU grant programme concerned. On request, you may be sent personal data to correct or complete them. For any question relating to these data, please contact the Commission department to which the application must be returned. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

[1] Official Journal L 8, 12.1.2001.

- If, at any stage of the administrative treatment of grant applications, the persons or entities concerned consider that they have been affected by an instance of maladministration, they may, irrespective of any other means of redress, make a complaint to the European Ombudsman in accordance with Article 228(1) of the Treaty on the Functioning of the European Union and as provided by the Parliament Decision of 9 March 1994 on the regulations and general conditions governing the performance of the Ombudsman's duties published in Official Journal of the European Communities L 113 of 4 May 1994.

  http://www.ombudsman.europa.eu/form/en/default.htm