



EUROPEAN COMMISSION
EUROSTAT

Directorate A: Cooperation in the European Statistical System; international cooperation; resources

Unit A4 : Budget, Financial Management and Internal Control

ANNEX IV

GUIDE FOR APPLICANTS OPEN CALL FOR PROPOSAL 2017¹

Disclaimer

The aim of this guide is to provide applicants with practical assistance in preparing and implementing their applications. Even if the information and explanations that are provided are assumed to be in strict compliance with the rules and regulations in force, it cannot be relied on in law. The provisions of the regulations in force and the respective grant agreement(s) take precedence.

¹ Parts in grey concern specifically Multi-Beneficiary Grant Agreements (MBGA)

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PART I - ADMINISTRATIVE PROCEDURES

1 Submission of applications

An application will be accepted only if:

- It is submitted in English on the correct form, completed in full and dated;
- It is **signed by a person authorised** to enter into legally binding commitments on behalf of the applicant;
- It includes a budget in conformity with the funding rules;
- It meets the submission arrangements set in the invitation letter and its annexes;
- It is submitted **before the end of the deadline**.

Adapted documents for applicants intending to apply for a multi-beneficiary grant are available on request.

For specific questions regarding entities included on the list of Article 5 of Regulation N°223/2009 see also the specific Guide for applicants 2017 for grants awarded according to said article.

In case of a Multi-Beneficiary Grant Agreement (MBGA) mandates conferring powers of attorneys from the co-beneficiaries to the co-ordinator shall be duly signed and dated by each applicant and attached as scanned document. The originals shall be kept by the co-ordinator.

UNIT COSTS

Unit costs for direct personnel costs are average daily rates per pay grade of the beneficiary's salary grid². A **scanned copy** of the unit costs Declaration established by the applicant **shall be attached to each application**.

The originals shall be kept by the beneficiary.

Please refer to the **Guidelines to unit costs** for establishing and implementing unit costs in the applications and grant agreements.

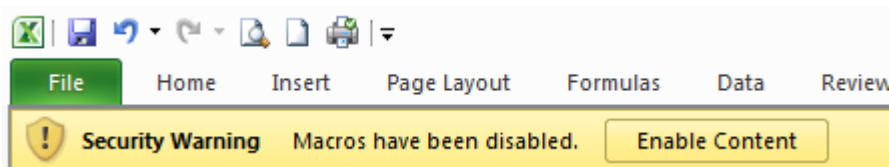
² See Section 1.1 *Staff costs*

PART II - THE ESTIMATED BUDGET

All grant applications must be supported by an estimated budget showing all expenditure and income that the applicant (and his affiliate, if applicable) considers necessary to carry out the project. The budget must be presented as in annex III of the submission set.

Please note that macro should be authorised and / or enabled on your computer.

When opening the budget file, you may receive the following message:



Please click on "Enable Content".

To insert a row above: click on a yellow cell and CTRL+SHIFT +A
 To insert a row below: click on a yellow cell and CTRL+SHIFT+B
 To delete a row: click on a yellow cell and CTRL+SHIFT+D

Warning: The SHIFT key on some keyboard is represented by the symbol : 

The estimated budget must:

- be sufficiently detailed to allow identification, monitoring and control of the action proposed;
- be in balance, i.e. total revenue and total expenditure must be equal;
- be expressed in Euro (NOT KILO €) and should exclude value-added tax (VAT);

The estimated budget of an MBGA contains 2 parts: the "summary budget" and the "detailed budgets" of the co-ordinator and each co-beneficiary. The eligible costs of affiliated entities (if applicable) shall be identifiable and included in the detailed budget of the corresponding partner. The budget has to be filled in by the co-ordinator, in close cooperation with the co-beneficiaries.

It should be noted that there is no obligation that the individual partners co-finance the action with an equal percentage contribution, the minimum requirement of co-financing announced in the invitation letter applies only at the level of the total budget of the action.

It should be noted that co-ordination tasks of the co-ordinator can be financed up to 100% within the limits of the maximum EC contribution. For this case a specific sheet for the co-ordinator (co-ordination tasks) has been introduced in the estimated budget. All co-ordination tasks intended to be financed up to 100% shall be introduced into this sheet. If this option is **not** used, only the standard sheet for the coordinator covering all tasks should be used.

A - EXPENDITURE

In order to be considered eligible for co-financing, costs must be shown in detail in the estimated budget and must satisfy the eligibility criteria laid down by the Financial Regulation.

Subject to these criteria, **it is always for the Commission to take the final decision on the nature and amount of the costs to be considered eligible**, either when analysing proposals for the establishment of the estimated budget to be annexed to the grant agreement or when examining statements of costs actually incurred for the purpose of determining the final grant.

1 Eligible costs

Grants awarded by Eurostat may take the following forms:

- reimbursement of a specified proportion of the eligible costs actually incurred³;
- reimbursement of staff costs on the basis of unit costs;
- reimbursement on the basis of a flat-rate (equal to 7%⁴ of the total direct eligible costs) for the indirect costs of the beneficiary.

Eligible costs are costs actually incurred by the beneficiary of a grant which must satisfy all of the following criteria:

- they are **incurred during the duration** of the action as specified in the grant agreement, with the exception of costs relating to final reports and certificates on the action's financial statements and underlying accounts;
- they are indicated in the estimated budget of the action;
- they are necessary for the implementation of the action which is the subject of the grant;
- they are **identifiable and verifiable**, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and according to the usual cost-accounting practices of the beneficiary;⁵
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The beneficiary's accounting and internal auditing procedures must permit direct reconciliation of the expenditure and income declared with respect to the action.

The same criteria apply to affiliated entities.

It is reminded that, according to the Financial Regulation, **no grant may be awarded retrospectively for actions already completed**. In exceptional cases, previously accepted by the Commission, where applicants can demonstrate the need to start the action before the agreement is

³ This form of reimbursement is no longer applicable for staff costs.

⁴ According to Commission Decision of 23 May 2013 the public bodies identified in Article 5 of Regulation (EC) No 223/2009 shall declare eligible indirect costs on the basis of a flat rate of 30% of the total eligible direct personnel costs. In this case and in case of MBGA, the percentage of indirect costs shall not exceed 30% of the total eligible direct personnel costs per individual budget.

⁵ In order to comply with the requirements regarding ex-ante and ex-post controls of costs incurred in the framework of Union grants, all incurred costs shall be recorded in the accounting records of each beneficiary.

signed, expenditure eligible for financing may incur before the signature, but never before the date the grant application was lodged.

The justification which demonstrates the need to start the action before the grant is awarded shall be provided in part III.2 of Application form.

1.1 Staff costs

Staff costs refer to personnel costs directly linked to the action and represent the proportion of costs incurred by the beneficiary in relation to the **time spent on the action**⁶.

The salary costs of **personnel of national administrations** are eligible to the extent that they relate to the cost of activities which the relevant public authority would not carry out if the project concerned were not undertaken.⁷

The time actually spent on a given action by staff declared by the beneficiary should be recorded either by timesheets (see template in Annex 2) or any other effective time-recording system allowing to identify the allocation of each staff member to the project throughout the duration of the action.

Any **time-recording** system (e.g. timesheets) should include at least the following basic elements:

- title of the action and Eurostat grant agreement number as indicated in the grant agreement;
- full name, function, signature and date of signature of the employee directly contributing to the action and signature of the immediate superior;
- amount of days spent on the action.

The timesheets have to be filled in from the first day of the action.

The value to fill in per day is a proportion of a full day work, from 0 to 1(ex: 0.2 for one fifth of a day work.).

Time sheets are equally to be filled in by interviewers, unless any other effective time-recording system allows identifying their allocation of working time to the action.

This does not apply in the case of personnel paid on the basis of deliverables (questionnaires, interview, translated pages, etc.)

Staff categories

Any staff assigned to the action, regardless whether employed by the beneficiary, co-beneficiaries or affiliated entities, is to be filled in into the different categories according to their status.

- *Permanent staff* is usually working as officials or under a contract for an unlimited period.
- *Temporary staff* must be hired by the beneficiary under a labour contract in accordance with its national legislation. This staff must work under the sole technical supervision and responsibility of the beneficiary (i.e. the work is decided, designed and supervised by the beneficiary).
- *Other staff*: This staff category should be used for staff working under "civil contracts" as defined in part 1.1.1.

⁶ Some eligible personnel costs are not paid on the basis of time spent, but on the basis of deliverables such as questionnaires/records (e.g. in the case of interviewers).

⁷ Art 126 (3) (e) of the Financial Regulation.

- *Administrative staff* costs are eligible only **if directly linked to the technical performance of the action**. In compliance with the General Conditions of the grant agreement the costs connected with horizontal services (such as financial management, human resources, training, legal advice, IT, etc.) are considered as **indirect costs** and should not be included under staff costs, since they are covered by the corresponding flat rate. This is equally true for the general involvement of high management staff.

For example the normal involvement of accountants, clerks, legal advisers should not be included under administrative staff. On the contrary, the direct assignment of a secretary or administrative assistant to a project is considered eligible.

Note: Persons working under procurement contracts among which are to be included persons contracted via an Interim Agency must not be included under staff costs, but under "implementation contracts (sub-contracting)".

Declaration of staff costs on the basis of UNIT COSTS

Unit costs for direct personnel costs shall be applied for the estimation and subsequent declaration of staff costs. Unit costs for direct personnel costs are average daily rates per pay grade of the beneficiary's salary grid. They have to be established by all beneficiaries of Eurostat grants in accordance with a method adopted by Commission Decision C (2014)6332 of 11/09/2014.

Please refer to the **Guidelines to unit costs** for establishing and implementing unit costs in the applications and grant agreements.

In order to allow an appropriate evaluation of the proposal with regard to the description of the action (technical specifications), information on **the profiles of the staff involved** (e.g. statistician, project manager, IT expert, researcher, etc.), **the applicable unit cost grade** and their envisaged **working time** (expressed in days) is to be provided in the estimated budget.

Example of an estimated budget:

A. EXPENDITURE/COSTS OF THE ACTION				
1. Costs of staff assigned to the action				
Profile (i.e. statistician, IT ...) / Unit cost grade	Nb of persons [A]	Days [B]	Unit cost [C]	Sub Total [AxBxC]
Operational Staff				Excluding VAT
Permanent staff				
IT expert - Grade A6	1	20	180.50	3,610.00 €
Senior Statistician - Grade A8	2	35	210.20	14,714.00 €
Statistician- Grade B6	1	60	170.50	10,230.00 €
<i>Sub-Total permanent staff</i>				28,554.00 €

Number of persons: envisaged number of staff members (for each function/pay grade)

Number of days represents the **estimated time** the staff of each **pay grade** will spend on the action.

Eligible personnel costs that are not paid on the basis of time spent, but on the basis of deliverables such as questionnaires/records (e.g. in the case of interviewers) are reimbursed on the basis of costs actually incurred.

Estimated costs should be filed in the following section, indicating quantity and rate per item:

Staff paid on deliverables (interviews, questionnaires, etc).	Quantity [A]	Rate per Item [B]	SubTotal [AxB]
Interviews	1000	1,50	1.500,00 €
Questionnaires	2000	0,50	1.000,00 €
<i>Sub-Total Staff paid on deliverables</i>			2.500,00 €

1.1.1 Specific cases

Civil contracts

Remuneration costs under "civil" contracts depart from the definition of personnel costs, as strictly interpreted, personnel costs only refer to costs of persons hired under "employment" contracts; i.e. contracts governed by national labour laws, and composing the staff of the beneficiary.

Some of the Member States use 'civil' contracts in their national labour legislation. Costs of 'civil' contracts may be considered as eligible under item Costs of the staff assigned to the action - other staff.

Conditions of eligibility:⁸

- The costs of "civil" contracts may only be eligible if this mechanism complies with the requirements of applicable tax and social legislation,
- The use of "civil " contracts has to concern non-regular functions and specific tasks that do not usually fall under "labour" contracts and cannot have the effect of circumventing the beneficiaries' tax and social obligations.
- The costs of staff working under a "civil" contract cannot be significantly different from the personnel costs of employees of the same category working on an action under labour law contract when the same kind of work and expertise is required.

The beneficiary shall consistently apply the same daily rate to the same kind of work (same category of staff, same expertise required) whatever the origin of the action funding.

- The costs of "civil" contracts are declared consistently under any project requiring the same kind of expertise, regardless of the funding sources.
- The natural person must work under the instructions of the beneficiary (i.e. the work is decided, designed and supervised by the beneficiary).
- The "civil" contract contains provisions referring to the definition of the tasks to be carried out, the origin of instructions and the ownership of the results of work.

The result of the work belongs to the beneficiary.

- The contracted person must work in the premises of the beneficiary (except in the case of teleworking agreed between both parties). An efficient internal control system must be designed to evidence actual costs incurred/time actually spent on the project. This system should exclude any risk of conflict of interest.

⁸ See also the General Conditions of the grant agreement.

- Grants may not have the purpose or effect of producing a profit. Art. 126 (3) (e) of the Financial Regulation, does not require/imply that the EU project should be performed outside the standard working hours of the organisation.

All other conditions of the eligibility of cost of staff assigned to the action shall apply.

Estimated cost of staff members working under “civil contracts” shall be based on unit cost applied by analogy principle. See Part IV and the unit costs guidelines for more details.

Experts

Costs incurred for physical persons like experts, consultants, interviewers (including civil servants of other organisations working independently), persons contracted via an Interim Agency who do not belong to the beneficiary's organisation but work on the action and are fully paid by the beneficiary on the basis of an invoice, shall be considered as subcontracting costs (see also item 1.5) and not as staff costs. These costs should be taken into account under item "Costs entailed by procurement contracts awarded by the beneficiary for the purpose of carrying out the action".

1.2 Travel and subsistence costs for the staff involved in the action

Only travel and subsistence costs directly linked to the action and relating to specific and clearly identifiable activities shall be considered eligible.

The General Conditions of the grant agreement state that such travel and related subsistence costs can be considered eligible "provided that they are in line with the beneficiary's usual practices on travel". They are reimbursed on the basis of costs actually incurred. For subsistence costs applicants may, however, opt for a simplified procedure by applying the Commission-approved EU scales (see Annex I).⁹

Note: The item "**Travel and subsistence costs**" covers only costs incurred by the own staff of the applicant(s) as foreseen in the estimated budget. Travel/subsistence costs for staff not employed by the applicant(s) should be reported either under:

- Item "*Costs entailed by procurement contracts*", if this staff is **sub-contracted** (and travel/subsistence costs are paid in addition to fees/types of remuneration which are in principle already covered by a contract) or
- Item "*Any other direct costs*", if covering travel and subsistence of external experts invited to contribute to events, etc.

The subsistence costs are eligible only if they are linked to travel costs foreseen in the estimated budget.¹⁰

⁹ The **national** rules and/or usual practices on travel must be used for travel costs. Since 2013 all applicants may apply EU scales for subsistence costs, regardless of whether they dispose of corresponding national rules or not. These EU rules are based on flat rate subsistence allowances. They cover all subsistence expenses during missions, including hotels, restaurants **and** local transport. They apply in respect of each day of a mission at a minimum distance of 100 km from the normal place of work. The subsistence allowance varies according to the country in which the mission is carried out. The daily rates correspond to the sum of the daily allowance and the maximum hotel price as set out in the table in Annex I.

¹⁰ This is, e.g., to be taken into account for project meetings combined with working group meetings or task forces for which travel costs are reimbursed by the Commission.

In MBGA, where coordination or project meetings are envisaged, it is strongly recommended to include travel and subsistence costs related to the participation in the individual budgets of the partners rather than in the coordinator's budget.

1.3 Depreciation costs of equipment

The principle of depreciation is covered by the General Conditions of the grant agreement:

The depreciation costs of equipment or other assets (new or second-hand) is eligible *"as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with Article II.9 and that it is written off in accordance with the international accounting standards and the usual accounting practices of the beneficiary; the costs of rental or lease of equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee. Only the portion of the equipment's depreciation, rental or lease costs corresponding to period set out in Article I.2.2 and the rate of actual use for the purposes of the action may be taken into account."*

When filling in depreciation costs of equipment in the estimated budget, the applicant should indicate the kind of equipment to be purchased and the price of purchase, date of purchase if purchased previously, the rule for depreciation and **the rate of actual use for the purposes of the action**. This rate must be controllable and coherent with the time worked by the staff assigned to the action.

Example of complete calculation of depreciation:

$$(A / B) \times C \times D$$

A = duration in months during which the equipment is expected to be used within the framework of the action

B = depreciation period

C = percentage of actual use for the purposes of the action

D = real cost of the material excluding VAT

Example of a 2 years action:

During the first year (12 months), the eligible amount for depreciation of equipment - computer of a value of 10,000 EUR (depreciation period = 36 months), used 50% of the time within the framework of the action, amounts to 10,000 x 33.33% (12 months/36 months) x 50% = 1,666 EUR.

During the second year, the eligible amount for depreciation amounts to 1,666 EUR if the percentage of use of the material or equipment remains the same. If, during this second year, the material or equipment is not used within the framework of the action, no costs are eligible.

For the equipment bought before the starting date of the action which has not yet been fully depreciated according to the usual accounting rules of the applicant, the remaining depreciation (according to the amount of use, in percentage and time) can be eligible under the action.

Specific software will be considered under this category if it is used specifically for the action.

Common software cannot be included under this category, since it is covered by the 30% flat rate of indirect costs.

1.4 Costs of consumables and supplies

The General Conditions of the grant agreement define these costs as costs of consumables and supplies, provided that they are *"purchased in accordance with the provisions concerning the award of contracts and are directly assigned to the action."*

Unlike the equipment referred to above, these are 'consumables', i.e. items that are not entered as fixed assets in the accounts (or inventory) of the organisation and are not written off.

General office supplies (in particular small amounts) are normally covered by the 30% overheads flat rate by way of indirect costs.

The nature of the action and the fact that the costs are specific to the action are key factors justifying direct cover of certain costs.

An example of costs that can typically be presented under this item in the framework of **field surveys** are the following: postal charges, envelopes, telephone costs or purchase of small technical items, provided that they fulfil the above mentioned.

1.5 Costs entailed by procurement contracts awarded by the beneficiary for the purpose of carrying out the action (sub-contracting)

It is assumed that the applicant is competent for carrying out and managing directly the major part of the action. Situations where a beneficiary simply acts as intermediary **are not acceptable**.

If the applicant has to conclude contracts in order to carry out part of the action, the recourse to the award of contracts **must be duly justified** with regard to the nature of the action and the requirements for its implementation. The tasks concerned must be set out in the description of the action and the estimated costs of subcontracting must be clearly identifiable in the estimated budget. Any recourse to subcontracting while the action is under way, if not provided for in the initial application, shall be communicated to the Commission for prior approval. Eurostat is not supposed to have any direct contact with subcontractor(s) during the implementation of the action.

In any case the beneficiary is sole responsible for the whole action and for compliance with the provisions of the agreement.

Provisions concerning the award of procurement contracts are foreseen in the Financial Regulation (Article 137) and its Rules of Application (Article 209) as well as the grant agreement.

In principle, NSIs or other competent national authorities falling under Article 5 of Regulation 223/2009 of the European Parliament and of the Council cannot be proposed **as pre-identified** subcontractors in the application. They should normally be involved as **co-beneficiaries**. They may also cooperate as affiliates, if a legal or capital link exists between them and the grant beneficiary (see part I.2).

In the following situations these entities may, however, act as subcontractors:

- If a public procurement procedure, in accordance with the national legislation, is launched and these entities are selected,
- If public procurement procedures allow for a direct award of contracts (e.g. for low values),
- If their participation is covered by an already existing framework contract.

In cases where an **audit certificate** on the financial statements and underlying accounts for final payments is required for an action (see part 1.6) **and** where the costs for the implementation contract(s) exceed(s) EUR 60,000, the audit certificate shall certify specifically that such contracts have been awarded in accordance with the provisions of the General Conditions (Award of contracts and sub-contracting).

If the total eligible costs for procurement contracts (authorised by the Commission, Eurostat) represent more than 20% of the total costs of the action, a corresponding provision is added to the Special conditions of the grant agreement.

In case of an MBGA this rule applies to the global budget.

Eurostat should be informed (by simple e-mail) of the name of the subcontractor(s) carrying out any tasks identified in the technical annex of the grant agreement, as soon as they are known.

1.6 Any other direct costs

This item covers the following costs mentioned in the General Conditions of the grant agreement, provided they are based on a contract and an invoice is issued: *"costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.), including the costs of requested financial guarantees, provided that the corresponding services are **purchased** in accordance with Article II.9."*

The most frequent examples are:

- Translation costs, if translation is requested by the Commission

Only **translation** costs for services provided by external translators can be included under this category of costs. Translations performed by the staff of the applicant shall be included under staff costs. In case the internal translation cost is based on a fixed amount paid per word or per page, the estimated budget shall show the corresponding calculation mode. In this case the time recording is not requested.

- Organisation of workshops or meetings foreseen by the agreement (travel and subsistence costs for invited experts, rent of the venue, special equipment necessary for the workshop or meeting, small refreshments).

Refreshments (coffee, tea, etc.) offered **during workshops or meetings** can be considered as eligible costs covered by this item. See also item 2 below.

- **Audit costs**, where the grant agreement requires an audit report

If the Union contribution in the form of reimbursement of **actually incurred costs** (therefore excluding the reimbursement on the basis of unit costs, lump sums, flat-rate financing) as referred to in Article I.3(a)(i) of the grant agreement, is at least EUR 750 000 and the beneficiary requests a reimbursement in that form of at least EUR 325 000 (when adding all previous reimbursements in that form for which a certificate on the financial statements has not been submitted), a certificate on the financial statements and underlying accounts, produced by an approved auditor or in case of public bodies, by a competent and independent public officer is compulsory. Staff costs calculated using unit costs are not "actually incurred costs", and therefore their reimbursement does not count towards the 750.000€ceiling.

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

In the case of a multi-beneficiary grant agreement and in case of a 'block' grant, this threshold shall apply to each individual budget.

If applicable, a model audit certificate is annexed to the grant agreement.

A sufficient level of detail has to be indicated in the estimated budget to enable the verification of the estimations made.

Any other direct costs relating to the preparation of final reports and costs relating to audit certificates are eligible under this category even if they have been incurred after the end date of the action, but no later than the date of submission of the final financial statement. These costs

must, however, comply with all the general criteria concerning the eligibility of costs (see part II.A 1).

1.7 Indirect eligible costs

By way of derogation from the General Conditions of the grant agreement, the indirect costs incurred in carrying out the action are reimbursed on the basis of a flat-rate equal to 7%¹¹ of the total direct eligible costs. In the case of MBGA, the percentage of indirect costs shall not exceed 30% of the total eligible direct personnel costs per individual budget.

The corresponding flat rate covers all indirect costs, **independent of the possibility to identify these as being linked to the action by the accounting system**. As a consequence, they cannot be included as direct costs of the action.

Indirect eligible costs comprise costs connected with infrastructures and the general operation of the organisation such as hiring or depreciation of buildings and plants, 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, IT, CPU times, etc.

2 Ineligible costs

According to the General Conditions of the grant agreement, ineligible (non-eligible) costs are:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- **VAT paid by public bodies;**
- costs declared by the beneficiary and covered by another action or work programme receiving a Union grant;
- excessive or reckless expenditure;
- contributions in kind;
- additional remuneration schemes specifically benefitting officials participating in EU-funded projects¹²

Furthermore, **gifts or incentives** given to interviewees during data collection exercises in order to improve the response rate are not eligible.

¹¹ According to Commission Decision of 23 May 2013 the public bodies identified in Article 5 of Regulation (EC) No 223/2009 shall declare eligible indirect costs on the basis of a flat rate of 30% of the total eligible direct personnel costs. In this case and in case of MBGA, the percentage of indirect costs shall not exceed 30% of the total eligible direct personnel costs per individual budget.

¹² Personnel costs declared as eligible may not exceed the remuneration costs defined by the beneficiary according to its usual remuneration policy.

Similarly, **social events** such as cultural visits, cocktails and **dinners** organised during seminars, workshops or meetings are not considered eligible.

In cases where **staff from the Commission** (or other EU institutions) participate in events of grant actions (by way of attendance or speeches at conferences, seminars, or other initiatives) the costs related to their participation can never be considered eligible costs.

For reasons of completeness or transparency applicants may wish to include non-eligible contributions into their budget. In this case they should appear on the expenditure as well as on the income side under the respective item in order to balance the budget.

B - INCOME

All income, whether resulting from the beneficiary's own contribution or from third parties (external sponsors), must be estimated and declared.

The income side of the estimated budget should show:

- the own contribution (beneficiary's co-financing) from the applicant;
- the financial contribution from third parties earmarked to the eligible costs;
- the income generated by the action (e.g. the yield from sales of publications during the operation, or the fees charged to participants attending a conference);
- the contribution requested from the Commission (EU co-financing);
- the other financial contributions (covering non eligible costs) – if applicable.

PART III - ADDITIONAL INFORMATION - ADJUSTMENT OF THE ESTIMATED BUDGET DURING THE IMPLEMENTATION OF THE ACTION

Amendments to the grant agreement

Any amendment of the estimated budget which would alter the action as described in the Description of the action (Annex I of the grant agreement), the base or allocation of Union financing, has to be the subject of a written supplementary agreement between the parties.

Any request for amendment shall be duly justified and be sent to Eurostat in due time before it is due to take effect, **and in any case it should be sent no later than one month before the closing date of the action** unless duly substantiated by the party requesting the amendment and accepted by the other party.

Budget transfers

It should, however, be noted that adjustments in form of transfers **within** the beneficiary's estimated budget are possible without an amendment, if

- the transfers do not affect the completion of the action (as laid down in the description of the action);
- the transfers are between items of eligible **direct** costs;

In case of transfer to **originally "empty" cost item** and in case **they affect the technical annex** (implementation of the action) the changes have to be reflected in the final report on implementation of the action (Annex IV of GA) which is, in the end, subject to the approval of Eurostat in order to calculate the final payment.

Ex. purchase of equipment if no equipment costs were initially foreseen in the estimated budget

- the transfer does not concern a lump sum.

! Exception: For transfers involving implementation contracts (sub-contracting) it is reminded that any additional recourse to the award of contracts while the action is under way shall be subject to an amendment.

In MBGAs, the same rules apply for the budget transfers between the beneficiaries and between budget categories.

PART IV - HOW TO SUBMIT THE PAYMENT REQUEST AND ACCOMPANYING DOCUMENTS

The scanned version of the signed request for payment (Annex III bis of the grant agreement) and of the accompanying documents, as listed below, have to be sent to the following e-mail address:

ESTAT-GRANTS-PAYMENT-REQUEST@ec.europa.eu.

This is a reception-only inbox; any correspondence linked to the grant should be addressed to the persons indicated in the grant agreement. Original signed paper versions of these documents are to be kept by the beneficiaries and must be submitted if requested.

According to Art II.23 of the grant agreement the request for payment of the balance shall be accompanied by the following documents:

- final report on implementation of the action (Annex IV);
- final financial statement;
- summary financial statement;
- where required, certificate on the financial statement.

The format of the documents (PDF, Word, and Excel) to be sent is indicated in the grant agreement under Communication details.

When sending the e-mail to ESTAT-GRANTS-PAYMENT-REQUEST@ec.europa.eu, please indicate in the subject of the e-mail: the country code + @ + Grant n°XX + payment request (e.g. BE @ Grant n°08437.2015.003-2015.735 payment request).

Non-electronic material such as DVDs, booklets, etc. can be sent via normal mail. Please do not use compressed/zipped files or encrypted e-mail.

Please note that the submission of paper versions is no longer requested!

When a grant action is finished and the beneficiary prepares the final cost statement, the rules and procedures indicated in the corresponding grant agreement are to be applied.

Therefore beneficiaries are invited to use for the final financial statement the same Excel budget template (or any other template of equal structure and calculations (e.g. for indirect costs, transfers, co-financing, etc.) as used for the estimated budget (or the last amended) of the respective grant (see Annex III of the application form and Annex II of the respective grant agreement).

When beneficiaries cooperate with an affiliated entity, the detailed final financial statement has to clearly indicate which parts of costs have been incurred by the affiliate(s).

In the case of a Multi-beneficiary grant agreement (MBGA) each co-beneficiary establishes its own detailed financial statement (including costs of affiliates, if any) and submits it to the coordinator for the summary budget declaration of the action.

With regard to the budget template the explanations below are intended to facilitate a smooth, correct and clear cost declaration.

1 Filling in the Excel budget sheet¹³

1.1 Declaration using UNIT COSTS

The grid of Unit costs to be used in the final financial statement is **the one laid down in the corresponding grant agreement (Annex IX)**. For more details, please refer to the **Guidelines to Unit Costs**.

At the moment of the final financial statement (cost claim), the calculation will be made on the basis of the staff that actually performed the work. When declaring staff costs, the costs of each staff member is reimbursed according to the Unit costs corresponding to the pay grade(s) he/she belonged to during the action.

Ex.

1. Costs of staff assigned to the action				
Profile (i.e. statistician, IT ...) / Unit cost grade	Nb of persons [A]	Days [B]	Unit cost [C]	SubTotal [AxBxC]
Operational Staff				Excluding VAT
<i>Permanent staff</i>				
IT expert - Grade A6	1	18.5	180.50	3,339.25 €
Senior Statistician - Grade A8	1	30	210.20	6,306.00 €
Senior Statistician - Grade A9	1	5	235.20	1,176.00 €
Statistician- Grade B6	1	50	170.50	8,525.00 €
<i>Sub-Total permanent staff</i>				19,346.25 €

Special cases: change of grade, change of the grid, staff outside of the grid

a) change of grade due to progress in seniority or promotion

If a person, while working on the action, has been promoted to a higher grade, the working days are reimbursed pro-rata at the corresponding unit costs.

Example:

In an action of 18 months Ms XXX moved after 6 months from pay grade 9 to pay grade 10. During the first 6 months she worked 30 days on the project, during the last 12 months she worked another 50 days on it.

Her personnel costs are declared by introducing 30 days at the rate of the unit cost of pay grade 9 and 50 days at the unit cost of pay grade 10.

b) changes in the grid

It might happen that the structure of salary grid changed during the course of the action and that persons working on the project have been employed at or promoted to a pay grade that did not exist before and for which therefore no unit costs were calculated.

As unit costs are established for all staff within a given pay grade with common basic salaries, the allocation (and reimbursement) should be done by analogy. This means that this staff should be

¹³ A template (electronic file) is provided (as Annex III) with each invitation to submit a proposal. Please always use this version for the related estimated and final budget.

reimbursed at the unit cost of the pay grade, in which the basic salary is closest to that of the person concerned.

c) staff members outside of the salary grid

The analogy principle (i.e. the reimbursement of a person at the unit cost of the pay grade, in which the basic salary is closest to his or her basic salary), is also to be used in all cases in which some staff members are not part of the official salary grid generally applicable to the employees of the beneficiary.

Control of final financial statement:

In case of control of final financial statement the use of the correct pay grade for individual staff members and their time registration will be checked.

The use of the correct pay grade could for instance be demonstrated by providing a pay slip or other official document (provided for example by the HR department) indicating the pay grade (and the period in the pay grade if it has changed during the action). The number of days declared for the action is to be demonstrated via appropriate time recording (electronic or paper).

1.2 Special case: Staff paid on the basis of deliverables

Actually incurred costs continue to be applied for staff members paid on the basis of deliverables, ex. interviewers paid on the basis of questionnaires or interviews.

Given the usually rather high number of "interviewers" involved in surveys with the same or a similar remuneration structure, an individual breakdown may not be necessary.

Where the same basis for remuneration is used for all interviewers, it is sufficient to indicate the **number of interviewers** involved (as in example 3 below) and the basis on which they are paid (**questionnaire**).

Example¹⁴

Other staff costs				
80 interviewers (paid by questionnaires)	1	10000	5.00	50,000.00 €
				0.00 €
<i>Sub-Total other staff costs</i>				50,000.00 €

2 General recommendations

- When preparing the final financial statement, declare all eligible costs incurred for the entire action and do not limit the costs declaration to the grant ceiling (max. EC-Contribution).
- When filling in the request for payment template, please provide all requested information and do not change or delete any paragraphs (unless indicated as option in grey).
- Only actually incurred costs are to be included in the financial statement – estimation or averages of costs will not be accepted; except for staff costs based on **Unit costs**.

¹⁴ Please note that interviewers should be put under item 1 only if they form part of the statutory staff, and are not sub-contracted.

- Use exactly the same % of co-financing and of indirect costs as indicated in the signed grant agreement.
- Make sure that all references relevant for the allocation of costs to the given action (date, object, amount and the currency) are visible on the supporting documents.
- For questions concerning the application of rules or the eligibility of certain costs (e.g. VAT, equipment costs, etc.) always refer to the provisions included in the respective grant agreement and the "Guide for applicants" related to that grant agreement.

3 Supporting documents

In line with the General Conditions of the grant agreement the Commission may, when processing the final financial statements, at any moment ask the beneficiary for supporting documents.¹⁵

A good practice is to collect the respective documentation, as foreseen in the grant agreement, from the outset of the action and to keep it available during the envisaged period.

In case of Multi-beneficiary grant agreements each beneficiary should keep the documentation related to its own budget ready in order to make it available to the co-ordinator if a corresponding request is addressed to him by the Commission. In any case, the co-beneficiaries shall provide the co-ordinator with the details of the incurred cost for the financial statements foreseen in the grant agreement.

Duty to keep documents: the General Conditions of the grant agreement specify:

*"The beneficiaries shall keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by their respective national law and under the conditions laid down therein, for a period of **five years** starting from the date of payment of the balance.*

*This period shall be limited to **three years** if the maximum amount specified in Article I.3 is not more than EUR 60 000."*

The **non-exhaustive** list below summarises for each cost item the supporting documents that **may** be requested and should therefore be kept available. While some documents do in any case constitute the basis for drawing up the final financial statement, others may be requested in the course of controls.

3.1 Staff costs

3.1.1 Staff costs on the basis of Unit Costs:

- Pay slip or other official document (provided for example by the HR department) indicating the pay grade and the period in the pay grade if it has changed during the action justifying the use of the correct pay grade for individual staff members ;
- Time records (signed time sheets, electronic time registration) clearly indicating the link with the action.
- If applicable, copy of civil contracts

3.1.2 Specific case: Staff paid on the basis of deliverables

- Employment contract, staff regulation, evidence justifying the internal staff category;

¹⁵ The beneficiary shall provide any information, including information in electronic format, requested by the Commission. See also item IV.1.

3.2 *Travel and subsistence costs for the staff involved in the action:*

- List detailing the travel and subsistence;
- Beneficiary's usual practices on travel and subsistence costs (if available);
- Copy of the invoices and tickets (or boarding passes);
- Project accounting (clear audit trail showing the link with the action).

3.3 *Depreciation costs of equipment:*

- List detailing the equipment;
- Beneficiary's tax and accounting rules on depreciation costs of equipment ;
- Declaration of the percentage of the use in the action;
- Copy of the suppliers' invoices;
- Project accounting (clear audit trail showing the link with the action).

3.4 *Costs of consumables and supplies:*

- List detailing consumables and supplies;
- Copy of contracts and/or invoices;
- Project accounting (clear audit trail showing the link with the action).

3.5 *Costs entailed by procurement contracts awarded by the beneficiary for the purpose of carrying out the action (sub-contracting):*

- List detailing subcontractors;
- Copy of contracts and/or invoices;
- Copy of documents related to the procurement procedure;
- Copy of existing framework contracts covering the use of subcontracting;
- If the beneficiary is a public body, declaration that national public procurement rules were applied;
- Copy of individual contracts and proof of payment in case of field surveys.

3.6 *Any other direct costs:*

- List detailing other direct costs;
- Copy of contracts and/or invoices (cost of dissemination of information, specific evaluation of the action, audits, translations, reproduction, etc.);
- Project accounting (clear audit trail showing the link with the action).

3.7 *Indirect costs*

No supporting documents are required for the costs covered by the flat rate.

ANNEX 1 – EU subsistence rates

Destination	Hotel ceiling	Daily allowance
Belgium	148	102
Bulgaria	135	57
Czech Republic	124	70
Denmark	173	124
Germany	128	97
Estonia	105	80
Ireland	159	108
Greece	112	82
Spain	128	88
France	180	102
Croatia	110	75
Italy	148	98
Cyprus	140	88
Latvia	116	73
Lithuania	117	69
Luxembourg	148	98
Hungary	120	64
Malta	138	88
Netherlands	166	103
Austria	132	102
Poland	116	67
Portugal	101	83
Romania	136	62
Slovenia	117	84
Slovak Republic	100	74
Finland	142	113
Sweden	187	117
United Kingdom	209	125

Source: Commission Delegated Regulation (EU) 2016/1611 of 7 July 2016 on reviewing the scale for missions by officials and other servants of the European Union in the Member States".

ANNEX 2 - Model time sheet¹⁶

TIME SHEET

Organisation		Project:	
		Year:	
		Month:	
		Name of the staff & function/function and pay grade:	

Week 1	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Total</i>
								0

Week 2	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Total</i>
								0

Week 3	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Total</i>
								0

Week 4	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Total</i>
								0

Week 5	<i>Monday</i>	<i>Tuesday</i>	<i>Wednesday</i>	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Total</i>
								0

		Grand Total	0
Date	Signature of the staff	Date	Signature of the responsible

Instructions: To be filled in from the first day of the action.

The value to be filled in per day is a proportion of a full day work starting from 0 to maximum 1 (ex: 0.2 for one fifth of a day work. If you work 7.5 hours a day on average, this 0.2 proportion represents 1.5 hour.)

¹⁶ This template is only an example; beneficiaries may use timesheets of their organisation or any other effective time-recording system.