

FINANCIAL GUIDELINES FOR APPLICANTS

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The purpose of this document is to enable applicants to prepare their grant applications.

Please be sure to read these guidelines carefully before replying to the current call for proposals.

MAIN FINANCIAL AND MANAGEMENT RULES

Disclaimer: this document provides the applicants with a quick summary of the main legal and financial rules contained in the Financial Regulation applicable to the general budget of the European Communities¹ and its Implementing Rules². The information given is not exhaustive and beneficiaries are therefore asked to carefully read the agreement sent to them, as it will constitute the legal basis for the grant.

1 GENERAL PRINCIPLES

Grants are subject to the principles laid down in the Financial Regulation, in particular the principles of co-financing, prohibition of double financing and no-profit.

Co-financing principle

Union grants may not finance the entire cost of the action to be subsidised. The applicant must contribute to the implementation of the action either by way of own resources or by financial contribution from third parties (in the form of public or private assistance obtained elsewhere).³

No double financing rule

Each action may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities.⁴

No-profit rule

The Union grant may not have the purpose or effect of producing a profit for the beneficiary. Profit is defined as a surplus of total actual receipts over the total actual costs of the action. Any income of the action must be indicated in the estimated budget and the final financial statement. The amount of the grant will be reduced by the amount of any surplus.⁵

2 RULES RELATED TO THE GRANT REQUESTED

- The Union grant will not exceed **80%** of the total eligible costs.
- The applicant organisation and/or other fund providers are required to make financial cash contribution(s) to the proposal of at least **20%** of the total eligible costs.
- The grant does not cover ineligible costs (see below for definition).

¹ Council Regulation (EC, Euratom), n° 1605/2002 of 25.06.2002 (OJ L 248, 16.09.2002), as amended by Regulation n° 1995/2006 (OJ L 390, 30.12.2006) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R1605-20070101-en.pdf>)

² Commission Regulation (EC, Euratom) n° 2342/2002 of 23.12.2002, (OJ L 357, 31.12.2002) and subsequent amendments: Commission Regulation (EC, Euratom) n° 1261/2005 of 20.07.2005 (OJ L 201, 02.08.2005), Commission Regulation (EC, Euratom) n° 1248 of 07.08.2006 (OJ L 227, 07.08.2006) and Commission Regulation n° 478/2007 (OJ L 111, 28.04.2007) (<http://eur-lex.europa.eu/LexUriServ/site/en/consleg/2002/R/02002R2342-20070501-en.pdf>)

³ Art. 113 FR and 172 IR

⁴ Art. 111 FR and 173(5) IR

⁵ Art. 109(2) FR and 165(1) IR

- Contributions in kind (unpaid charity work by a private individual or corporate body, etc.) cannot be accepted.
- Signed letters of commitment from the applicant organisation and/or other sources must be provided stating the precise amount of each financial cash contribution to the budget. If other institutions or organisations (partners) are involved in carrying out the project, the letter of commitment/partnership, from each of the partners, should also provide the name, address and person responsible and explain the nature of their involvement.
- An external audit report of the previous accounts of the applicant organisation produced by an approved external auditor must be provided for grant applications where the cost to be financed exceeds EUR 500.000.⁶ The report must certify the accounts for the last financial year available.
- The partial or total withholding by the applicant of any information that may have an impact on the Commission's final decision concerning the application will entail the automatic disqualification of the application or, if discovered at a later stage, will entitle the Commission to impose financial and administrative penalties⁷.

3 THE ESTIMATED BUDGET OF THE ACTION

3.1 The budget must be detailed and balanced

Grant applications must include a detailed estimated budget presented in Euro (see application form). Applicants established in countries outside the Euro zone must use the conversion rates published in the Official Journal of the European Union (<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>). Applicants should be aware that they fully carry the exchange rate risk.

The budget estimate must be properly balanced: the two totals (income and expenditure) must be the same, since the available income (including the grant requested from the Commission) will have to finance the planned expenditure⁸. Please make sure that all the items related to the implementation of the action are included and not just those for which financing is being sought.

3.2 Expenditure

Expenditure must include the estimated costs exclusively for the implementation of the action.

3.2.1 General criteria for eligibility of costs

In order to be eligible for Union funding, costs must meet the following criteria⁹:

(a) be incurred during the duration of the action, with the exception of costs relating to final reports and audit certificates;

⁶ Art. 173(4) IR (No audit report is required from public bodies or international organisations.)

⁷ Art. 175 IR

⁸ Art. 173(3) IR

⁹ Art. 172a IR

(b) be indicated in the estimated overall budget of the action attached to the grant agreement;

(c) be necessary for the implementation of the action which is the subject of the grant;

(d) be 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;

(e) comply with the requirements of applicable tax and social legislation;

(f) be reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

The successful applicant must take care to avoid any unnecessary or unnecessarily high expenditure.

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

Documentation justifying costs must be kept by the beneficiary for **five years** following final payment by the Commission.

Expenditure eligible for financing may not have been incurred before the grant application was lodged.

Extra costs associated with the participation of people with disabilities are also eligible. These costs may be required to cover the use, for example, of special means of transport, personal assistants or sign language interpreters.

3.2.2 Eligible direct costs

The eligible direct costs for the action are those costs which, provided that they satisfy the criteria 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 may be considered eligible:

Staff costs

The costs of staff (permanent or temporary staff employed by the beneficiary or the partners) assigned to the implementation of the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, are eligible. The salary costs should not exceed the average rates corresponding to the beneficiary's usual policy on remuneration. In addition, they should not be higher than the generally accepted market rates for the same kind of task.

The costs of personnel of national administrations may be considered as 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.

The form reserved for these costs in the budget estimate (see application form) should be completed by indicating the persons to be remunerated (full-time/part-time), the number of days of work to be performed and the daily rate calculated on the basis of an average of 20 days per month, up to a maximum total of 220 working days per year.

When submitting the request for final payment, the beneficiary may have to provide pay slips and timesheets justifying the actual staff costs declared.

The cost of any work to be performed by external experts by means of subcontracting must not be included in staff costs but under services.

Travel, accommodation and subsistence allowances

Travel costs must not exceed the most reasonable rates available on the market. Accommodation and subsistence costs related to the participants to the action are eligible provided that they are in line with the beneficiary's usual practices on travel costs or do not exceed the scales approved periodically by the Commission which are set out in the table below.

Journeys must be carried out by the most direct and economic route. Economy class fares will be used as the benchmark for analysing air travel costs. Air travel is acceptable only for distances above 400 km, i.e. return flight above 800 km. For other modes of transport, the benchmark is the first-class rail fare. Car journeys: equivalent of corresponding first-class train ticket.

The *Daily subsistence allowances (DSA)* are paid in addition to costs for accommodation as a flat-rate amount and are considered to cover breakfast and two main meals, local transport, the cost of telecommunications and all other sundries. Daily subsistence allowances are to be calculated as follows according to the length of the mission:

- stays less or equal to 6 hours: reimbursement of actual costs (on production of supporting documents);
- more than 6 hours up to 12 hours inclusive: 0.5 DSA;
- more than 12 hours up to 24 hours inclusive: 1 DSA;
- more than 24 hours up to 36 hours inclusive: 1.5 DSA;
- more than 36 hours up to 48 hours inclusive: 2 DSA;
- more than 48 hours up to 60 hours inclusive: 2.5 DSA, etc.

The maximum amounts (in Euro per calendar day) accepted for each country are set out in the table below, and applicants are advised to adhere to these rates in their budget estimates¹⁰:

¹⁰ The daily allowance rates are subject to periodic review by the Commission.

Destinations		DSA in EUR	Maximum hotel price in EUR
AT	Austria	95,00	130,00
BE	Belgium	92,00	140,00
BG	Bulgaria	58,00	169,00
CY	Cyprus	93,00	145,00
CZ	Czech Republic	75,00	155,00
DE	Germany	93,00	115,00
DK	Denmark	120,00	150,00
EE	Estonia	71,00	110,00
EL	Greece	82,00	140,00
ES	Spain	87,00	125,00
FI	Finland	104,00	140,00
FR	France	95,00	150,00
HR	Croatia	60,00	120,00
HU	Hungary	72,00	150,00
IE	Ireland	104,00	150,00
IT	Italy	95,00	135,00
LT	Lithuania	68,00	115,00

Destinations		DSA in EUR	Maximum hotel price in EUR
LU	Luxembourg	92,00	145,00
LV	Latvia	66,00	145,00
MK	F.Y.R. of Macedonia	50,00	160,00
MT	Malta	90,00	115,00
NL	The Netherlands	93,00	170,00
PL	Poland	72,00	145,00
PT	Portugal	84,00	120,00
RO	Romania	52,00	170,00
SE	Sweden	97,00	160,00
SI	Slovenia	70,00	110,00
SK	Slovakia	80,00	125,00
TR	Turkey	55,00	165,00
UK	United Kingdom	101,00	175,00
IS	Iceland	85,00	160,00
LI	Liechtenstein	80,00	95,00
NO	Norway	80,00	140,00
CH	Switzerland	80,00	140,00
RS	Serbia	80,00	140,00

Please note that the Commission and the other European Institutions cover the travel and subsistence costs of their own officials when they participate in an event organised by the beneficiary and these should therefore not be included in the budget estimate.

Catering

The total amount calculated according to the above mentioned rules regarding Daily subsistence allowances shall constitute a maximum. If catering services are provided by the organisers, the DSAs directly paid to participants must be reduced accordingly.

Costs of services

Information dissemination, publications costs can be taken into account provided that they are directly related to the action. Please give, for each publication and/or other materials, a description, an estimate of the number of pages and copies planned the frequency and language of publication, an indication of the production costs per copy as well as an estimate of the distribution costs where appropriate.

Translation costs must include the following details: the number of languages, the number of pages to be translated and the rate applied per page. These rates may not exceed the most reasonable market rates.

Interpretation: the different components must be specified. In particular, the number of languages, the number of interpreters, the number of days and the daily rates must be specified. The accepted daily fee of an interpreter may not exceed EUR 700 (including VAT). Interpreters should be hired locally. For their travel and subsistence expenses to be covered by the grant, it must be impossible to hire them locally and it must be explained why this is so.

Evaluation: if the proposal supported requires some form of evaluation, monitoring and evaluation methods must be developed, as well as tools to assess, on an on-going basis, the progress of the action in relation to the objectives defined at the beginning and the results. The cost of such work will be regarded as eligible expenditure.

Subcontracting

Any service undertaken by an external party in connection with the implementation of the action is considered to be **subcontracting**.¹¹

Applicants should have the operational capacity to complete the action to be supported. However, when justified and necessary, parts of the project may be subcontracted to another person or organisation. In this case, the beneficiary shall ensure that¹² the relevant terms applicable to itself under the agreement are also applicable to the subcontractors. Which tasks will be subcontracted and why this subcontracting is necessary, must be clearly specified in the annex foreseen to this purpose in the application form.

Main rules related to subcontracting activities

When concluding external contracts in order to implement the action, the beneficiary must seek competitive tenders from potential contractors and award the contract to the bid offering **the best value for money, i.e. the best price-quality ratio**. In doing so, the beneficiary shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests¹³.

Contracts as referred above may be awarded only in the following cases:

- a) They may only cover the execution of a limited part of the action;
- b) Recourse to the award of contracts must be justified in relation to the nature of the tasks necessary for the implementation of the action;
- c) The tasks to be subcontracted and the corresponding estimated costs must be set out in detail in the budget estimate;
- d) Any recourse to the award of contracts while the action is underway shall be subject to prior written authorisation by the Commission;
- e) The beneficiary shall retain sole responsibility for the implementation of the action and for compliance with the provisions of the agreement. The beneficiary must undertake the necessary arrangements to ensure that the subcontractor waives all rights in respect of the Commission under the agreement;
- f) The beneficiary must undertake to ensure that the terms, mentioned above, applicable to itself under the agreement are also applicable to the subcontractor.

Administration costs

Depreciation for purchase of equipment¹⁴: the purchase cost of equipment (new or second-hand) is eligible provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the period of eligibility for Union funding covered by the grant agreement and the rate of actual use for the purposes of the action may be taken into account by the Commission. A justification for the need of purchasing such equipment is to be annexed to the budget estimate.

¹¹ Art. 120FR, 184 IR

¹² The terms related to liability, conflict of interests, confidentiality, publicity, evaluation, assignment and checks and audits

¹³ In addition to these general rules, where the value of the external contract exceeds EUR 60 000, beneficiaries may be required to apply specific rules of procedure which are based on the Financial Regulation and determined with due regard to the estimated value of the contracts concerned, the relative size of the Union contribution in relation to the total cost of the action and the management risk

¹⁴ Art. 172 IR

Other eligible administrative costs are: rent of meeting rooms (coffee breaks included), rent of interpretation booths, communications' costs, charges for financial services, costs relating to a bank guarantee and to external audits, etc. Indicative amounts for rental of booths, excluding technical equipment: EUR 750 (excluding VAT) per day. Rental of booths with equipment and technical assistance: EUR1200 (excluding VAT) per day.

3.2.3 Eligible indirect costs - Overheads

Indirect costs are general administrative costs – overhead costs incurred in connection with the eligible direct costs for the action. They are limited to a maximum **flat-rate of 7%** of the total eligible direct costs for the action. These can include maintenance, stationery, photocopying, mailing postage, telephone and fax costs, heating, electricity or other forms of energy, water, office furniture, insurance and any other expenditure necessary for the successful completion of the project. Postage costs are considered as overhead costs and cannot be accepted under the headings "publications" or "administration".

If the accepted budget includes a provision for flat-rate funding in respect of indirect costs, they need not to be supported by accounting documents.

Indirect costs are not eligible for an action where the beneficiary already receives an operating grant from the Union budget during the period in question.

3.2.4 Non-eligible costs

The following expenses are ineligible and not accepted:

- contributions in kind: these are contributions that are not invoiced, such as voluntary work, equipment or premises made available free of charge;
- return on capital;
- debt and debt service charges;
- doubtful debts;
- provisions for losses or potential future liabilities;
- interest owed;
- exchange losses;
- VAT, unless the beneficiary can show that he/she is unable to recover it according to the applicable national legislation;¹⁵
- excessive or reckless expenditure;
- costs declared by the beneficiary and covered by another action or work programme receiving a Union grant.

3.3 Income

Total income must be identical to total expenditure. The income side of the budget must show:

¹⁵ It should be noted that VAT paid by a public body to operators who are subject to VAT (when purchasing goods or supplying services within the framework of the implementation of the co-financed action) is not eligible. The VAT thus collected by operators liable for tax will in fact be returned to accounts of the Member State of the public body. Considering this VAT as an eligible cost would lead to double financing (by the Union and by the fiscal revenue).

- The beneficiary's contribution in cash: the direct monetary cash contribution from the applicant's own resources and/or the contribution from any other fund providers. This means a financial flow that can be traced in the written accounts of the beneficiary.
- The revenue generated by the action: any income expected to be generated by the implementation of the action should be detailed (such as. the yield from sales of publications).
- The Union grant: the grant requested from the Commission.

4 HOW THE GRANT WILL BE CALCULATED

If the proposal is selected for a grant, the Commission will calculate the Union contribution as a percentage of the total eligible costs as shown in the estimated budget for the implementation of the action.

The Commission reserves the right to reduce the grant requested if the proposal is acceptable but considered too expensive, and to reduce individual unit costs if these are estimated to be too high.

Determination of the final amount of the grant

The Union final grant is calculated on the basis of the **actual** eligible expenditure by applying the "double ceiling" rule and verifying compliance with the no-profit rule.

- Application of the "double ceiling" rule limiting the grant both to the percentage of the eligible costs and to the maximum amount mentioned in the grant agreement

The Union final grant is calculated by applying the percentage for the co-financing of the eligible costs laid down in the grant agreement to the total of the actual eligible costs. This amount must not exceed the maximum amount for the Union grant laid down in the grant agreement.

As a result, if the actual expenditure turns out to be lower than the expenditure you budgeted, the actual grant will also be reduced in application of the percentage contribution which will remain the same. If the actual expenditure turns out to be higher than the expenditure budgeted, the Union grant will not be increased. It is therefore in the applicant's interest to submit a realistic estimate of expenses.

- Verification of compliance with the no-profit rule

The grant may not have the purpose or effect of producing a profit for the beneficiary¹⁶. On the basis of the above rule if the total income of the action is higher than the total costs, the final grant amount will be reduced accordingly so that it will not produce a profit.

A mere forecast of expenditure does not give entitlement to a grant. This is why the final grant amount cannot be calculated until the Commission has received the final activity report and the final statement of expenditure. The expenditure that is committed to the implementation of the action must be justified by invoices or equivalent supporting

¹⁶ Art. 109(2) FR

documents, in order to be accepted as actual expenditure. It must also relate to actual rather than inputted costs.

5 AGREEMENT GOVERNING THE GRANT

Should the Commission award a grant, a standard grant agreement for an action setting out the conditions and maximum level of funding will be concluded with the beneficiary.

Successful applicants will receive two original copies of the grant agreement for acceptance and signature. Both of these copies must be sent back to the Commission, which will then return one of them once it has been signed by both parties.

6 PAYMENT PROCEDURES

The payment arrangements will be laid down in the grant agreement.

Generally, payment of the grant will be made in three instalments (two pre-financing payments and a final payment under the following conditions:

- A pre-financing payment of 30% at the signature of the grant agreement.
- A second pre-financing payment of 40% of the total amount awarded upon receipt and approval by the Commission of a progress report on implementation of the action and detailed statement of the costs already incurred, showing that at least 70% of the previous pre-financing payment has been used up. Where the consumption of the previous pre-financing is less than 70%, the amount of the new-pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment¹⁷.
- The balance will be paid upon acceptance by the Commission of the final technical implementation report and final financial statement.

7 GUARANTEE¹⁸

The Commission may require the beneficiary to provide a guarantee in advance, in order to limit the financial risk linked to the payment of the pre-financing.

This guarantee shall be denominated in euro and shall be valid for a period sufficiently long to allow it to be activated. The guarantee shall be provided by an approved bank or financial institution established in one of the Member States.

The guarantee shall be released as the pre-financing is gradually cleared against interim payments or payments of balances to the beneficiary in accordance with the conditions laid down in the grant agreement.

¹⁷ Art. 180(1) IR

¹⁸ Compulsory in the case of pre-financing representing over 80% of the total amount of the grant and exceeding EUR 60 000. However, this requirement may be waived for public-sector bodies and international organisations or for beneficiaries who have signed a framework partnership agreement with the Commission. (Art.118 FR and 182(1) IR)

The guarantee may be replaced by a joint and several guarantee by a third party or by the irrevocable and unconditional joint guarantee of the beneficiaries of an action who are parties to the same grant agreement.

8 BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS¹⁹

Payment shall be made to the beneficiary's bank account or sub-account denominated in Euro. The account or sub-account indicated by the beneficiary must make it possible to identify the funds transferred by the Commission.

If the funds paid into the account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits, if they have been generated by pre-financing payments which remain the property of the European Union, shall not be treated as a receipt for the action.

The beneficiary shall, as specified in the grant agreement, inform the Commission of any interest or equivalent benefits yielded by pre-financing payments higher than EUR 50 000, it has received from the Commission. Notification must be made when the request is introduced for interim payment or for payment of the balance that clears the pre-financing.

Interests yielded by pre-financing payments between EUR 50 000 and 750 000 will be directly deducted from payments. Interests generated by pre-financing payments higher than EUR 750 000 will be recovered through a recovery order.

Interests shall not be due to the Union for pre-financing paid to Member States, to their regional or local authorities including organisms and administrative and instrumental structures under their control, or paid in the framework of joint management with international organisations.

All costs related to these requirements (such as the cost for opening and closing accounts) are eligible and may be submitted in the budget estimate.

9 SUBMISSION OF REPORTS AND OTHER DOCUMENTS

The final report on the implementation of the action along with a final financial statement of all actual expenditure and actual revenue are to be sent within three months from the closing date of the action. The final report should answer at least to the following questions:

- 1) How was the project performed? Was it performed in accordance with the description of the action annexed to the grant agreement? (Describe the project, its results and methodology, planned activities, timetable, partners, participants, etc.).
- 2) To what extent did the project meet the objectives set?

¹⁹ Art. 5(a) FR, Art. 3, 4, 4(a) IR

- 3) What was the European added value of the implementation of the action?
- 4) How was the project presented to the public and how were the results disseminated?
- 5) What lessons have been learned from this experience?
- 6) Describe the results of the evaluation (internal/external) of the implementation of the action.

The final report must be completed using the template annexed to the grant agreement.

In addition to these requirements, other documents that might be indicated in the text of the call for proposals must also be provided.

Should the final report be deemed to be inadequate or of low quality, the Commission reserves the right to request additional information within 60 days of reception of the final report, and, if necessary, to suspend the final payment until the requested information is provided.

10 PUBLICITY

Beneficiaries of the grant are required to mention clearly the fact that they have received funding from the Union in any publication or in other materials, and during activities (conferences or seminars, etc.), for which the grant is used, using the following wording: "**With support from the European Union**". The logo of the EU, given at the following web address: http://europa.eu/abc/symbols/emblem/index_en.htm should also be visible.

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

In addition to these minimum requirements, references specified in the text of the call for proposals must also be indicated.

All grants awarded in the course of a financial year shall be published on the Internet site of the Union institutions during the first half of the year following the closure of the budget year in respect of which they were awarded.

By signing the grant agreement for an action, the beneficiary authorises the Commission to publish the following information in any form and medium, including via the Internet site of the Union²⁰:

- the beneficiary's name and the address
- the subject of the grant,
- the amount awarded and the rate of funding of the costs of the action.

²⁰ Art. 110(2) FR, 169(2) IR

Upon a duly substantiated request by the beneficiary, publication of this data can be waived if it threatens the safety of the beneficiary or harms his business interests.

In order to increase the visibility of transnational partnerships established under PROGRESS and to facilitate networking between organisations involved in actions covered by PROGRESS grants, the Commission intends to publish the name and address of partners in PROGRESS-funded projects together with the name and address of the beneficiary, the reference of the call for proposals and the title and description of the project. To that purpose, the Beneficiary will be asked to seek the partners' agreement to authorise the Commission to publish this data. This written agreement should be included in the letters of commitment sent to the Commission with the application form.

11 EVALUATION

If the proposal should include a specific evaluation component for ongoing monitoring and final evaluation of the action, these costs can be taken into account as eligible in the budget estimate.

Successful proposals could be the subject of an ongoing and ex-post evaluation led by the Commission and/or by independent experts selected by the European Commission. Therefore, the beneficiaries of the grant undertake to make available to the Commission and/or persons authorised by it, all necessary documents or information as will allow the evaluation to be successfully completed and give these persons the rights of access required.

12 CHECKS AND AUDITS

An external audit report is required in the following cases:

12.1 Audit report in support of grant applications²¹.

Organisations' proposals for an action for which the grant exceeds EUR 500 000, shall be accompanied by an external audit report produced by a certified auditor. That report shall certify the accounts for the last financial year available.

12.2 Audit report in support of requests for payment²²

In the case of a grant for an action over EUR 750 000, requests for payment shall, when the cumulative amounts per financial year of requests for interim payments and for payment of the balance is at least EUR 325 000, be accompanied by an external audit report produced by an approved auditor or in case of public bodies, by a competent and independent public officer. Its purpose is to certify that the submitted accounts comply with the financial provisions of the agreement, 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 according to the grant agreement and that all receipts have been declared.

²¹ Art. 173(4) IR

²² Art. 180(2) IR

The obligation to provide such a certification of the financial statements and underlying accounts may be waived in the cases of grant beneficiaries that are public bodies or international organisations. If an external audit of the action's accounts is not required, the beneficiary himself shall certify on his honour that information contained in requests for payments is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the grant agreement and that requests for payment are substantiated by adequate supporting documents that can be checked.

The beneficiary undertakes to provide any detailed information requested by the Commission or by another qualified outside body chosen by the Commission for the purposes of checking that the action and the provisions of the agreement are being properly implemented. The beneficiary must enable the Commission and/or the Court of Auditors to verify the organisation's accounting documents, if they deem this appropriate. To this end, documentation justifying items of expenditure must be retained by the applicant's organisation for five years following final payment by the Commission.

13 PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM

The Internet Web application called "SWIM" (SAGA Web Input Module) allows applicants/beneficiaries to introduce, edit, validate, print and submit grant applications, request for payments and request for modifications on the budget estimate. SWIM can be accessed in the following web address²³: <https://webgate.ec.europa.eu/swim>

13.1 Introduction of grant applications

The grant application form has to be electronically filled in as follows: first, access the system at the address mentioned above and click on the link "New grant application", then, select the number of the call for proposals you wish to apply for and, eventually, fill in your application. Once your application is completed, click on the "submission" button in order to finalised the submission procedure. Please note that after submitting your application form electronically no changes to the application are possible.

After its electronic submission, the application form must also be printed out, signed by the legal representative of the organization submitting the proposal and sent by post to the responsible Unit, as specified in the text of the call for proposals.

Failure to respect this procedure will render the application ineligible.

13.2 Requests for payments and budgetary modifications

In addition to the documents specified in the grant agreement, financial documents required in support of requests for further pre-financing payments and for payment of the balance, as well as requests for modifications of the budget estimate to be made by addendum must also be electronically submitted using SWIM.

²³ For more technical details on SWIM utilisation, a user's manual is available on line

To be allowed to log on to SWIM and access its grant file, the beneficiary will be asked to enter in the login page the same File number and Access code assigned by the system to the grant application when it was created.

14 DATA PROTECTION

The 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 Community institutions and bodies and on the free movement of such data.²⁴ Replies to the questions in the application form are necessary in order to assess the grant application and they will be processed solely for that purpose by the department responsible for the Union grant programme concerned. On request, applicants may be sent personal data to correct or complete. For any question relating to these data, please contact the Commission department to which the form must be returned.

Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

15 EARLY WARNING SYSTEM AND CENTRAL EXCLUSION DATABASE

Grant applicants and, if they are legal entities, persons who have powers of representation, decision-making or control over them, are informed that, should they be in one of the situations mentioned in:

- the Commission Decision of 16.12.2008 on the Early Warning System (EWS) for the use of authorising officers of the Commission and the executive agencies (OJ, L 344, 20.12.2008, p. 125), or

- the Commission Regulation of 17.12.2008 on the Central Exclusion Database – CED (OJ L 344, 20.12.2008, p. 12),

their personal details (name, given name if natural person, address, legal form and name and given name of the persons with powers of representation, decision-making or control, if legal person) may be registered in the EWS only or both in the EWS and CED, and communicated to the persons and entities listed in the above-mentioned Decision and Regulation, in relation to the award or the execution of a procurement contract or a grant agreement or decision.

²⁴ Official Journal L 8, 12.1.2001.