



European
Commission



Grants 2018 kick off meeting

contractual and financial issues

23 May 2018



Panos Michalelis
DG Agriculture and Rural Development
European Commission



Signature of a grant agreement

- With the signature, the beneficiary enters into a contractual relationship with the Commission. The grant agreement governs the relation between the Commission and the beneficiary.
- The beneficiary is responsible for the implementation of the grant agreement. Affiliated entities and subcontractors are not parties to the agreement.

Implementation of the grant agreement

- Standard duration of 12 months.
- During this period the beneficiary will implement the different activities foreseen in the grant agreement.
- At the end of this period the beneficiary must report back to the Commission. The reporting has two main parts:
 1. Reporting on the technical implementation
 2. Reporting on the financial implementation

Tip: Make sure that all activities take place during the duration of the project

Eligible costs

- Direct (actually incurred) ≠ Indirect (flat rate)

Tip: Keep records and all relevant supporting documents

General conditions

- they are incurred during the implementation period;
- they are indicated in the estimated budget;
- they are incurred in connection with the action and are necessary for its implementation;
- they are identifiable and verifiable (accounting records);
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified and comply with the principle of sound financial management, in particular regarding economy and efficiency.



Payments

- The grant agreement provides for an interim payment after month 3 of the information measure and for a payment of the balance after its end, following:
 - approval of the corresponding technical report
 - approval of the corresponding financial statement
 - calculation by the Commission of the final amount of the grant

Not Legally Binding

5



EU grant amount

- Double ceiling:
 - The total amount paid to the beneficiary may not exceed the maximum amount of the grant agreement
 - The Commission reimburses a percentage of the eligible costs
- Non-profit rule:
 - The grant may not produce a profit for the beneficiary
- Grant reduction / Recovery:
 - The Commission may reduce the grant amount if the information measure is not implemented properly
 - The Commission may recover any amount unduly paid to the beneficiary

Third parties

Tip: 3rd parties have no responsibility towards the Commission. Make sure that you follow closely subcontractors & affiliates (if any)

- The beneficiary shall have the appropriate resources as and when needed for implementing the information measure.
- However, when necessary, the beneficiary may:
 1. buy goods or services necessary to implement the information measure;
 2. Use subcontractors to perform part of the information measure.
Subcontracting may not cover core tasks.



Amendments

- must be made in writing
- must be duly justified
- may not make changes which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants.
- An amendment is not necessary for transfers between different budget categories, if the information measure is implemented as described in Annex I of the grant agreement. Transfers to the category 'personnel costs' are limited to 10% of the amount estimated for personnel costs.



Checks and Audits

- The Commission may, during the implementation of the information measure or afterwards, carry out checks and audits to determine that the beneficiary is implementing the action properly and is complying with the obligations under the grant agreement.
- The beneficiary must keep all original documents during a period of five years starting from the date of payment.



European
Commission

Questions?