



GUIDE FOR APPLICANTS

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I. PREPARATION OF THE PROPOSAL

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

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

This Guide for Applicants contains the essential information to guide you through the mechanics of preparing and submitting a proposal. This document is complementary to the call text published on the DG Internal Market, Industry, Entrepreneurship and SMEs web site, which is specific to each call. It provides guidance on how to complete and submit your proposal from the content point of view, and to prepare the estimated budget. It provides detailed information on the eligibility of costs.

I.1. RELEVANT DOCUMENTS

The documents relevant for your call can be found on the following internet address, by selecting the call of your interest:

http://ec.europa.eu/growth/contracts-grants/calls-for-proposals/index_en.htm

The main documents relevant to any call are the following:

- Call for proposals
- Guide for applicants
- Draft agreement

I.2. STRUCTURE OF THE PROPOSAL

Proposals must be submitted electronically, using the Commission's Submission and Evaluation of Proposals programme (SEP). Proposals arriving at the Commission by any other means are regarded as not submitted, and will not be evaluated.

Where a proposal is submitted by several applicants, they will have to choose a lead applicant from their midst, who will take the role as coordinator if your proposal is awarded a grant. A group of applicants, submitting a joint proposal is referred to as a consortium. The coordinator will submit the application on behalf of all applicants.

The electronic submission set comprises two parts:

- **Part A (sections 1 to 3)** to be completed on line in SEP
- **Part B** consisting of a set of uploaded documents

Part A (sections 1 to 3) contains 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 (sections 1 to 3) is entered through an on-line form.

- **Section 1** General information
- **Section 2** Participants & contacts
- **Section 3** Budget (summary)

Part B of the proposal concerns all the forms to be uploaded by the lead applicant in the electronic system. 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. 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.

Part B of the proposal is to be downloaded and filled in by each partner and uploaded by the lead applicant, following the instructions and using the templates indicated in this guide. Where applicable, documents can be signed, scanned in PDF format and uploaded.

- **Form B1 / B2** **Budgetary Forms**
- **Form B3** **Co-financing statement**
- **Form B4** **Exclusion form**
- **Form B5** **Financial Statement Form**
- **Form B6** **Description of the proposal**
- **Form B7** **Operational capacity – composition of the team (CVs)**
- **Form B8** **Operational capacity – Professional references / past projects.**
- **Form B9** **Supporting documents – Budget and Operational Capacity.**

The description of the action, the core of your proposal, is submitted by way of a template, consisting of a list of headings (**Form B6**) Follow this structure when presenting the technical content. 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. Note that for the purpose of evaluation black and white copies are used. You are recommended to take this into account when using colour in your documents.

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.

II. PART A (SECTIONS 1 TO 3) - PROPOSAL SUMMARY

Part A consists of:

Section 1	General information on the proposal incl. proposal abstract and declarations
Section 2	Administrative data of the participating organisations
Section 3	Call specific questions (proposal summary) Budget for the proposal – Total eligible cost and requested EU contribution per participating organisation

Sections 1 and 3 should be completed by the lead applicant.

Section 2 has to be completed for each individual applicant

The form can be accessed through SEP and have to be completed 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 APPLICANT (COORDINATOR)

In case of a proposal submitted by a single applicant (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-beneficiary grant, the lead organisation is the coordinator of a consortium established between several applicants (consortium partners), submitting a joint proposal. The lead applicant 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 lead organisation will have to complete sections 1 to 3 on-line, and complete and upload part B of the proposal in PDF format.

II.2. CO- APPLICANTS (CONSORTIUM PARTNERS)

If provided for in the call for proposals, applicants may act in a consortium, submitting a joint proposal. Each co-applicant (consortium partner) will be considered as co-beneficiary if the proposal is awarded a grant. All applicants shall fill in section 2.

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 before the signature of the grant agreement.

If a grant is awarded, consortium partners forward to the lead organisation the data needed to draw up the report, the financial statements and other documentation required by the grant agreement. They shall immediately inform the lead organisation of any event liable to substantially affect or delay the implementation of the action, who will communicate with the Commission.

II.3. AFFILIATED ENTITIES

If the call for proposals so allows, several affiliated entities may participate as a sole beneficiary in the grant. This can apply to network organisations or entities joint together in one legal entity (holdings, joint ventures). Please check the call text to verify the possibilities for this call.

The applicant entity will have to indicate its participating affiliated entities in the proposal. The affiliated entities will each have to comply with eligibility and exclusion criteria. In case of holding entities, the affiliated entities will also have to comply with the selection criteria.

II.4. 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 by a contribution in-kind (e.g. voluntary work), but does not otherwise participate the action. A third party financier is not part of the consortium implementing the action.

Financial contributions by third parties are generally allowed. Please verify the text of the call for proposals to see if third party financing by way of contribution in kind is allowed for your call.

The contribution of third parties to the action will have to be included in the estimated budget. Third parties co-financing the action will have to complete and sign a co-financing statement. This document should be submitted in Part B by the coordinator (form B3).

II.5. SUBCONTRACTORS

Sub-contracting refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action or work programme. Only a limited part of the project may be subcontracted. The beneficiaries remain solely responsible for the implementation of the action. Please consult the call for proposal text for restrictions on subcontracting.

Sub-contractors are not beneficiaries to the grant, nor affiliated entities. They do not participate in the costs of the action. The beneficiary(ies) remain fully responsible for implementation of the action and payment of the sub-contractors. The costs of subcontracting can be eligible under the conditions indicated, in the grant agreement. The proposal should clearly specify the activities that will be subcontracted and the contract should be procured in accordance with the conditions set in the grant agreement.

Details of subcontracting envisaged have to be included in the budgetary forms in part B (forms B1/B2)

II.6. INSTRUCTION FOR THE FORMS

In order to assist you in filling in the administrative forms, the following items give some detailed indications for the corresponding fields to be filled in the SEP application.

- **SECTION 1 (PART A)**

0. Proposal acronym

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

- **SECTION 2 (PART A)**

1. Participant Identification Code

The Participant Identification Code (PIC) 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. The use of PICs will lead to more efficient processing of your proposal.

If your organisation has participated in a proposal under the 7th Framework Programme for Research and Development, or in call of DG Internal Market, Industry, Entrepreneurship and SMEs launched in 2012, 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/desktop/en/funding/index.html> (step 4').

All participants already possessing a PIC should use it to identify themselves in the Submission and Evaluation Program (SEP). After entering the PIC, parts of the form will be filled in automatically.

Use the search facility to find out whether your organisation has already received a temporary or validated PIC number. If a PIC is not yet available for your organisation, you have to self-register your organisation in the Participant Portal. Self-registration in the Participant Portal for receiving a temporary PIC is quick and simple, see <http://ec.europa.eu/research/participants/portal/desktop/en/funding/index.html>

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.

If the data on your organisation displayed in SEP 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.

Further details on the appointment of LEARs and the use of PICs can be found in the FAQs of the Participant Portal: <http://ec.europa.eu/research/participants/portal/desktop/en/support/faq.html>
And <http://ec.europa.eu/research/participants/portal/desktop/en/organisations/register.html>

2. Organisation Legal Name

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

3. Organisation short Name

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

4. 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.

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).

6. Legal Status

Please choose your legal status in the list provided.

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 the type of organisation (e.g.: SA, LTD, GmbH, independent person...);
- EEl:** European Economic Interest Group;
- PNP:** Private Organisation, Non Profit (i.e. any privately owned non-profit organisation).

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

Private entities and NGOs (should correspond to data in form B5) should provide 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.

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.

8. Number of employees

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.

9. 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.

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. Administration officer

The person indicated as "administration officer" of the lead organisation 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 are changes in your contact details at any moment, please communicate immediately your new contact details to the Commission.

12. 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.

13. 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.

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

- **SECTION 3 (PART A)**

In the call specific questions, a summary of the objectives, the description of the work and milestones and expected results is to be given.

The second part of section 3 compiles the budget sheets (forms B1 & B2), to be uploaded by the individual applicants (consortium partners) in Part B. It presents a consolidated view of the estimated budget for the action and requested EU contribution per participating organisation.

III. PART B - PROPOSAL DETAILS

Part B of the proposal is to be downloaded and filled in by each partner and uploaded by the lead applicant, following the instructions and using the templates indicated in this guide. Where applicable, documents can be signed, scanned in PDF format and uploaded.

Part B consists of:

- **Form B1 / B2** Budgetary Forms
- **Form B3** Co-financing statement from
- **Form B4** Exclusion form
- **Form B5** Financial Statement Form
- **Form B6** Description of the proposal
- **Form B7** Curriculum Vitae of the staff performing the action
- **Form B8** Professional references and details of past similar projects.
- **Form B9** Any other documents in support of B1/B2, B7, B8

Documents have to be submitted in the format specified within the table below, 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.

The Annex filename should not contain any special characters or spaces. It can only contain Latin letters (a-z), digits (0-9), the underscore (_), the dash (-) and the dot (.) character and must in any case be different from the Part B filename. The file naming should follow the system indicated in the table below:

Type of Annex	Who needs to submit	Annex format	File name
Annex 1 (B1/ B2 Budgetary Forms)	All applicants	PDF	ParticipantshortnameAnnex1
Annex 2 (B3 Co-financing statement)	Co-financing third parties	PDF	ParticipantshortnameAnnex2
Annex 3 (B4 - Exclusion form)	All applicants Affiliated entities	PDF	ParticipantshortnameAnnex3
Annex 4 (B5 - Financial Statement)	Private bodies	PDF	ParticipantshortnameAnnex4
Annex 5 (B6 - Description of proposal)	All applicants	PDF	ParticipantshortnameAnnex5
Annex 6 (B7 - Curriculum Vitae http://europass.cedefop.europa.eu/en/home)	All applicants	PDF	ParticipantshortnameAnnex6
Annex 7 (B8 - Professional references and details of past similar projects)	All applicants	PDF	ParticipantshortnameAnnex7
Annex 8 (B9 - Any other document needed for better evidencing Annex 1, Annex 6 or Annex7)	All applicants	PDF	ParticipantshortnameAnnex8

IV. PART B – EXCLUSION AND SELECTION CRITERIA

In order to establish eligibility and compliance with exclusion and selection criteria, the following information should be provided:

- **B4 Standard Form concerning the Exclusion criteria**
- **B5 Financial capacity**
- **External audit report**
- **Legal Entity Form / Evidence of legal status**
- **Financial Identification Form**
- **B7/8 Operational capacity**
- **B9 Supporting documents**

IV.1. FORM B4 - EXCLUSION FORM

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

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

All applicants and, if applicable, affiliated entities shall provide this form, duly completed and signed. A PDF copy needs to be uploaded in SEP.

Applicants for low value grants, for an amount lower or equal to € 60 000, do not have to provide a declaration on exclusion criteria. Please note that in case of a proposal submitted by several applicants, this amount refers to the total amount requested by all applicants taken together.

IV.2. FORM B5 - FINANCIAL STATEMENT FORM

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

Affiliated entities participating in the proposal will have to provide evidence on their financial capacity, if they together form a sole applicant (groupings, joint ventures). Affiliated entities that participate in a network organisation applying for the grant do not have to give evidence of their financial capacity.

For this purpose, form B5 Financial Statement Form, duly filled in and scanned in PDF format and uploaded in Part B of the proposal is requested. Please note that by uploading these documents you give approval to other consortium members to view these. In case you do not want to upload these documents, you have to send them separately to a dedicated GROW e-mail address (see call for proposal for details) before the submission deadline has been reached.

Public bodies and international organisations are not requested to submit any proof in relation to their financial capacity. They do not have to submit a form B5.

For applicants requesting a EU contribution of € 60.000 or lower, form B5 does not have to be provided. Please note that in case of a proposal submitted by several applicants, this amount refers to the total amount requested by all applicants taken together. However, the applicants in question shall submit a declaration on honour for the purpose of proving their financial capacity.

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 department carrying out the work.

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

The “organisation legal name” should correspond to the name(s) indicated in section 2 (part A).

In support of financial capacity the applicants may provide:

- Annual accounts (i.e. profit and loss account; balance sheet, financial statement relating to cash-flow) for the last financial year.
- In case the annual accounts are not available, any other information giving evidence of the financial capacity (tax authorities' statements, banks' opinions, financing plans, constitution financial statements, provisional accounts, shareholders or mother company guarantee or comfort letters, etc.).
- 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 such as a State guarantee, a third party guarantee (shareholders, administrators, mother company, etc.),
- proposal for a rescheduled of the payment scheme for the action, in particular a reduction of the pre-financing).

Supporting documents also have to be uploaded in Part B.

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

IV.3. EXTERNAL AUDIT REPORT

For actions where the cost to be financed exceeds 750.000 € and for operating grants of over 100.000€, the application shall be accompanied by an audit report produced by an approved external auditor.

In case of a multi-beneficiary grant, where a proposal is submitted by consortium, the thresholds shall apply for each beneficiary. Public bodies and international organisations are exempt from this obligation.

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.

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.

The report will have to be scanned and uploaded in SEP in PDF format, in the part B of the proposal.

IV.4. EVIDENCE OF LEGAL STATUS

If, following the evaluation, the application is proposed for award, a Legal Entity Form and evidence of the applicant's legal status has to be provided. Applicants do not have to submit this documentation at the stage of electronic submission, unless it is specified in the call for proposal in the context of evidencing the eligibility of applicants.

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:

- 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.
- an official VAT document, where applicable.

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

- 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
- 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:

- a legible photocopy of the identity card or passport
- an official VAT document if applicable.

If the applicant 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 provided to the contract or agreement and the Commission services, by which it was awarded. In addition, the applicant should provide a statement, that the information in is still valid and no changes have occurred.

IV.5. FINANCIAL IDENTIFICATION FORM

If, following the evaluation, the application is proposed for award, a Financial Identification Form has to be provided. Applicants do not have to submit this from at the stage of electronic submission.

The Financial Identification Form must be duly filled in by the lead applicant (coordinator) only, who will be receiving payments on behalf of the consortium of beneficiaries. The lead applicant (coordinator) 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.6. FORMS B7/8/9 - OPERATIONAL CAPACITY

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

The applicants must include at least:

- Cv's of the staff that will be performing the work involved (**Form B7**)
- professional references and details of similar projects implemented in the past. (**Form B8**)

The team responsible for the project/operation must have adequate professional qualifications and experience. The curriculum vitae should be submitted in the Europass format, for which a template can be downloaded under this link: <http://europass.cedefop.europa.eu/en/documents/curriculum-vitae>

Please check the call for proposals for further requirements and evidence to be provided, before finalising your application. Further supporting documentation can be up loaded under **Form B9**

The obligation to provide the supporting documents serving as proof of technical capacity does not apply to low value grants for a financing of € 60,000 or less. However, the applicants in question shall submit a declaration on honour for the purpose of proving the technical capacity.

V. PART B - DESCRIPTION OF THE ACTION - FORM B6

The description of the action should be provided using a standard template, form B6. The following instructions are intended to guide applicants as to the content expected.

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:

- identification of perceived needs and constraints in the target groups;
- list of target groups with an estimate of the anticipated number of direct and indirect beneficiaries;
- reasons for the selection of the target groups and activities;
- relevance of the project to the target groups;
- 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. Do not confuse with the plan of action, which should be provided under point V.5.

V.4. METHODOLOGY (MAXIMUM 4 PAGES)

Please include a detailed description of:

- methods of implementation;

- reasons for the proposed methodology;
- how the project intends to build on a previous project or previous activities (where applicable);
- procedures for internal evaluation;
- level of involvement and activity of other participants in the project;
- role of each participant;
- 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).

Please read carefully the definition of staff, and persons that can be considered as equivalent to staff. They should be distinguished from persons working on the basis of subcontracting.

For consultants, which do not qualify as in-house consultants, indication should be given of 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

- the situation of the target groups and
- 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. PART B – EXTERNAL CO-FINANCING – FORM B3

Third parties, who do not participate in the action, can offer a financial contribution in order to co-finance the action. They have to confirm their intention by completing form B3.

The signed original has to be kept by the lead applicant and will be requested only for proposals retained for funding, before signature of the grant agreement.

VI.1. CONTRIBUTIONS IN-KIND

The Commission may accept co-financing by contribution in kind by third parties, if considered necessary or appropriate. The value of such contributions cannot cover the complete amount of co-

financing. Please refer to the call for proposal to see of contribution in kind is permitted and what the limitations are.

Contributions in kind are contributions provided to the applicant by a third party free of charge, such as voluntary work or the use of equipment. Contributions in kind do not therefore involve any expenditure for the beneficiary and are not entered in his accounts.

Beneficiaries cannot provide contribution in kind. The use by the beneficiary of his own staff or equipment for the purposes of implementing the action does not represent a contribution in kind, but is considered as a participation in the cost of the action out of its own resources (co-financing by the beneficiary), constituting a direct or indirect cost of the action.

VII. PART B – BUDGET – FORMS B1/B2

To indicate the estimate budget for the action, the following forms must be used:

Forms B/1-B/2	Summary Forward Budget: Expenditure Summary Sheet Financing Plan Summary Sheet
Form B/1	Individual expenditure sheet:
Form B.1.1a	Internal Staff Sheet
Form B.1.1b	Working Days Sheet
Form B.1.2a	Travel and Subsistence Sheet
Form B.1.2b	Equipment Sheet
Form B.1.2c	Other expenditure and financial support to third parties Sheet
Form B.1.3	Sub-contracting sheet

Start by filling in forms B/1.1a to form B/1.3. The expenditure indicated in the forms B/1.1a to B/1.3 will be summarised automatically in form B/1. The full set of forms should be uploaded in PDF format to Part B of the proposal.

In case of proposal submitted by several applicants (consortium), the Budget forms should be filled in for each individual applicant (consortium partner). The lead applicant (coordinator) will provide form B/2, indicating the proposed funding.

The consolidated figures of eligible costs shown in form B/1 and the requested EC contribution per applicant, should be introduced in SEP, section 3.

VII.1. GENERAL RULES FOR THE ESTIMATED BUDGET

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:

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

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

The total amount must be expressed in **Euro** with maximum two decimals.

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/infoneuro/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 the grant agreement.

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

VII.2. ELIGIBLE COSTS

In order to be eligible for funding, costs should be actually incurred by the beneficiary and meet the following criteria:

- they are incurred during the duration of the action or work programme, as indicated in the grant agreement, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents (audit certificates);
- they are indicated in the estimated budget of the action or work programme;
- they are necessary for the implementation of the action or of the work programme, in accordance with the description of the action, attached to the grant agreement;
- 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;
- 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.

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.

The following costs are eligible, provided this is indicated in the call for proposals:

- costs relating to a pre-financing guarantee lodged by the beneficiary of the grant, where that guarantee is a condition for the payment of a pre-financing;
- costs relating to external audits where such audits are required in support of the requests for payments;
- value added tax (VAT) where it is not recoverable under the applicable national VAT legislation and is paid by a beneficiary other than a non-taxable person, for the activities indicated in the call for proposals.
- depreciation costs, provided they are actually incurred by the beneficiary;

- salary costs of the personnel of national administrations 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.

If the call for proposals allows participation of affiliated entities, their costs can be eligible, provided that:

- the entities concerned are identified in the grant agreement;
- the entities concerned abide by the rules applicable to the beneficiary under the grant agreement with regard to eligibility of costs and rights of checks and audits by the Commission, OLAF and the Court of Auditors.

Please note that the exact scope of the eligibility of costs is defined by the grant agreement, which will be signed with the successful applicants.

VII.3. ELIGIBLE DIRECT COSTS:

Direct costs of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it.

They shall not include any eligible indirect costs. In particular when indirect costs are calculated on basis of a lump sum, this would generate double funding.

The following categories of costs can be considered as eligible direct costs:

- (a) the **costs of personnel** (staff costs) working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the beneficiary's usual policy on remuneration; those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the beneficiary other than an employment contract (in-house consultants) may be assimilated to such costs of personnel, provided that the following conditions are fulfilled:

- (i) the natural person works under the instructions of the beneficiary and, unless otherwise agreed with the beneficiary, in the premises of the beneficiary;
- (ii) the result of the work belongs to the beneficiary; and
- (iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;

These costs have to be identified in Form B1.1a and b

- (b) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;

These costs have to be identified in Form B1.2a

- (c) the depreciation costs of equipment or other assets (new or second-hand) as recorded in the accounting statements of the beneficiary, provided that the asset has been purchased in accordance with the conditions applicable to implementation contracts 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 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 the period of the duration of the action and the rate of actual use for the purposes of the action may be taken into account.

By way of exception, the full cost of purchase of equipment can be eligible, where justified by the nature of the action and the context of the use of the equipment or assets; Please check the call text, if this exception is possible for actions under your call.

These costs have to be identified in Form B1.2b

- (d) costs of consumables and supplies, provided that they are purchased in accordance with the conditions applicable to implementation contracts;

These costs have to be identified in Form B1.2c

- (e) costs arising directly from requirements imposed by the grant agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the conditions applicable to implementation contracts;

These costs have to be identified in Form B1.2c

- (f) costs entailed by subcontracts, concluded for the externalisation of specific tasks or activities which form part of the action or workprogramme as described in the proposal, provided that the conditions with the conditions applicable to implementation contracts are met;

These costs have to be identified in Form B1.3

- (g) costs of financial support to third parties, in accordance with the conditions set by the grant agreement for such financing;

These costs have to be identified in Form B1.2c

- (h) duties, taxes and charges paid by the beneficiary, notably value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement.

These costs have to be identified in Form B1.2c

VII.4. ELIGIBLE INDIRECT COSTS

Indirect costs or overheads can include 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.

The Commission applies a standard rate of maximum 7% for the eligible direct costs of the action. Unless the call text explicitly allows this, it is not allowed to set a higher percentage. It is possible to indicate a lower percentage. A different percentage can be set for each beneficiary.

Where the call for proposals text explicitly allows this, 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 charged to activities of the action in question, by means of distribution keys, these costs can be reported based on actual costs incurred. In such case, indirect costs are to be identified and substantiated in the accounts.

In case indirect costs are to be claimed on the basis of actual costs incurred, 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.

Please note that, if these indirect costs budgeted on the basis of actual costs incurred cannot be appropriately identified and supported by accurate accounting evidence, they will be considered ineligible. In case of doubt if the accountancy system allows for the precise determination of indirect costs, it is therefore advised to opt for the 7% flat-rate.

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

Indirect costs are not eligible for beneficiaries that receive an operating grant from the European Commission.

VII.5. NON ELIGIBLE COSTS

In addition to any other costs which do not fulfill the conditions set out in Article II.19.1, the following costs shall not be considered eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Commission charged by the bank of a beneficiary;
- costs declared by the beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget);
- in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT.
- participation by any staff of the institutions in actions receiving grants
- any other costs which have been specified as ineligible in the call for proposal

In addition to the above, the Commission can refuse to finance certain costs included in the proposal. The beneficiary can decide to maintain and finance these costs out of his own resources, but they will not be taken into account as eligible costs.

VII.6. 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	Other expenditure on contracts and financial support to third parties,
B.1.3	Sub-contracting.

Start by filling in forms B/1.1a to form B/1.3. The expenditure indicated in the forms B/1.1a to B/1.3 will be summarised automatically in form B/1. They should not be (re-)introduced directly in form B1.

The amount which will show under the heading “**2. Indirect costs**” is calculated automatically to the percentage allowed under the present call. In the case of projects involving several partners, the amount is calculated for each partner on basis of this rate.

In the individual forms B/1, the percentage for indirect costs is set standard at 7%, but can be adapted for each individual applicant. Please note that, unless otherwise indicated in the call text, it is not allowed to indicate a higher percentage. A different rate can be set for each applicant. Applicants receiving an operating grant from the EU budget must set the rate at 0%.

If a beneficiary opts for indirect costs on the basis of actual costs incurred, 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 addition, a separate sheet should be uploaded, showing the estimation of the real indirect costs based on figures extracted from beneficiary's accountancy.

VII.7. FORM B/1.1A STAFF COSTS

Form B/1.1a on staff costs must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall be filled in once.

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

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

If the call for proposals indicates this possibility, SME owners and other natural persons who do not receive a salary may declare eligible personnel costs for the work carried out under an action or work programme, on the basis of unit costs specific to the programme under which the call is launched. In other cases, owner managers that do not receive a salary cannot claim any reimbursement for their activities.

Please indicate in budget sheet B/1.1a:

- the name of the person concerned (if known; mandatory at least for the project manager).
- function in the project (e.g. project manager, administrator, accountant, assistant functions, secretaries, etc.)
- total number of days/hours to be worked on the project.
- total salary costs in currency (please refer to form B/1.1b for this calculation)
- working hours/days per year (please refer to form B/1.1b for this calculation)
- hourly/daily rate in currency (please refer to form B/1.1b for this calculation)
- Costs for project in currency

- the currency in which the sheet is calculated.
- the exchange rate used in order to calculate the total costs in EURO.
- the costs for the project in € will be calculated automatically on basis of information already introduced.

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.8. FORM B/1.1B WORKING DAYS

Form B/1.1b on working days must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall 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.

An example of the calculation of working time:

Total days in a year	365
Weekends	-104
Annual holidays	- 21
Statutory holidays	- 15
Illness/Others	<u>- 05</u>
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.9. FORM B.1.2A TRAVEL AND SUBSISTENCE COSTS

Form B/1.2a on travel and subsistence expenses must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall be filled in once.

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

Only the costs for the staff's travel and subsistence allowances should be introduced in this form. Travel costs of external service providers, if applicable, are to be included in their contracts.

Subscription fees to conferences or events, where relevant, should be included in form B.1.2c – Other expenditure.

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. Alternatively, they should not exceed the scales approved annually by the Commission. These Commission rates can be consulted on this address:

https://ec.europa.eu/europeaid/funding/about-procurement-contracts/procedures-and-practical-guide-prag/diems_en

The costs reported should comply with the following:

- 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):

- Names or functions of the people involved
- Journey and dates (even tentative)
- Purpose of the travel (this must refer clearly to one activity of the project)
- 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)
- Cost of travel (estimation)

The total amount of the costs introduced in form B1.2a is calculated automatically.

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.1.2a gives an indication how eligible travel costs have to be calculated when introducing costs claims for refunding and assists you in making an estimation.

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.10. FORM B.1.2b EQUIPMENT

Form B/1.2b on equipment must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall be filled in once.

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

Only depreciation for equipment which is strictly necessary 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.

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 the 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.

Alternatively, depreciation periods for certain types of equipment (or minimum periods) for a specific action might be specified in the call for proposal,

The calculation of equipment costs is the following:

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

Where:

- Duration is the actual equipment duration for the project and
- Rate Of Use is the relevant proportion of time that the equipment is used for the project.

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:

- **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
- **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.

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.

Where implementation of the action requires the use of contracts for the purchase of goods, works or services, the beneficiary must award to the bid offering the best value for money or the lowest price (as appropriate), and avoid in conflicts of interest. Documents have to be retained for the event of an audit. Public entities should abide by national public procurement rules. In the call for proposals additional rules may be announced for the award of contracts for € 60 000 or more.

VII.11. FORM B.1.2C OTHER EXPENDITURE

Form B/1.2c on other expenditure on contracts must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall be filled in once.

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

Only 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.

This form should include the costs of implementation contracts for ancillary services, goods etc. needed to carry out the project (e.g. dissemination of information, specific evaluation, audits, translations, reproduction...), including purchase of consumables and supplies. It does not cover contract that imply any externalisation of activities included in the action described in the proposal, which should be included as subcontracting in Form B1.3

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).

If the call for proposals allows the financial support to third parties by the beneficiary, the amounts envisaged should also be included in Form B1.2c. Please note that such financial support is subject to strict rules, indicated in the call for proposals. The activities concerned and the maximum amounts are limited in the call.

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

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

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.

Where implementation of the action requires the use of contracts for the purchase of goods, works or services, the beneficiary must award to the bid offering the best value for money or the lowest price (as appropriate), and avoid in conflicts of interest. Documents have to be retained for the event of an audit. Public entities should abide by national public procurement rules. In the call for proposals additional rules may be announced for the award of contracts for € 60 000 or more.

VII.12. FORM B.1.3 SERVICES SUBCONTRACTED

Form B/1.3 on subcontracting must be filled in individually by each applicant (consortium partner). In case of a single applicant, it shall be filled in once.

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

Subcontracting refers to contracts concluded for the externalisation of specific tasks or activities which form part of the action or workprogramme as described in the proposal.

Such contracts may only cover the implementation of a limited part of the action. Please verify the call for proposals what limitations have been indicated.

Recourse to the award of contracts must be justified having regard to the nature of the action and what is necessary 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.

Where implementation of the action requires the use of contracts for the purchase of goods, works or services, the beneficiary must award to the bid offering the best value for money or the lowest price (as appropriate), and avoid in conflicts of interest. Documents have to be retained for the event of an audit. Public entities should abide by national public procurement rules. In the call for proposals additional rules may be announced for the award of contracts for € 60 000 or more.

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 at the time of the submission of the proposal.

Please note that subcontracting, which is not covered in the proposal, requires the approval of the Commission. Modifications to this sheet and heading 1.3 on an *ad hoc* basis while the action is under way must be presented for approval.

The tendering process does not need to be performed before the submission of the application.

Subcontractors indicated without resulting from a tendering process might lead to the ineligibility of the corresponding costs.

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.13. FORM B/2 - FINANCING PLAN SUMMARY SHEET

The income side of the forward budget should show:

- the grant sought from the Commission, with a breakdown per application;
- 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 direct monetary contribution from the applicant and, if applicable, its contribution from its own resources (e.g. cost of personnel involved, etc.);
- the financial contributions from third parties earmarked to eligible costs
- other financial contributions from third parties;

VII.14. CONTRIBUTIONS IN-KIND

The Commission may accept co-financing by contribution in kind by third parties, if considered necessary or appropriate. The value of such contributions cannot cover the complete amount of co-financing. Please refer to the call for proposal to see of contribution in kind is permitted and what the limitations are.

Contributions in kind are contributions provided to the applicant by a third party free of charge, such as voluntary work or the use of equipment. Contributions in kind do not therefore involve any expenditure for the beneficiary and are not entered in his accounts.

Beneficiaries cannot provide contribution in kind. The use by the beneficiary of his own staff or equipment for the purposes of implementing the action does not represent a contribution in kind, but is considered as a participation in the cost of the action out of its own resources (co-financing by the beneficiary), constituting a direct or indirect cost of the action.

The value of the contributions in kind must be calculated with regard to the following:

In the case of contributions which give rise to a cost borne by the third party, the value must not exceed the costs actually borne and duly supported by accounting documents of the third parties (e.g. supply of material or payment of salaries by a third party; provision for depreciation of an item of equipment provided by a third party);

In the case of contributions which do not give rise to any payment or accounting burden for the donor the value must not exceed the costs generally accepted on the market in question, which can be established by any appropriate means (e.g. voluntary workers);

Finally, the value of contributions in kind must be calculated at the latest before signature of the grant agreement.

Once the value of the contribution in kind has been determined in the signed grant agreement, the beneficiary may not revalue this contribution when submitting the final statement of the costs of the action in order to compensate for other contributions.

The supporting documents that must be supplied by beneficiaries to show that the declared contributions in kind have indeed been provided, must be specified in detail (declarations concerning the work done by external staff and the periods concerned, invoices/expenditure paid out by third parties or other accounting documents relating to costs met by third parties, photographs of the event showing the material made available, etc.).

VIII. PROCEDURE

VIII.1. SUBMISSION

Proposals must be submitted electronically, using the Commission's Submission and Evaluation of Proposals programme (SEP). Proposals arriving at the Commission by any other means are regarded as not submitted, and will not be evaluated.

The data uploaded are securely stored on a server to which only the applicants participating in the proposal have access until the deadline. This data is encrypted until the close of the call. SEP can be accessed from the call page on the following address:

http://ec.europa.eu/growth/contracts-grants/calls-for-proposals/index_en.htm

Full instructions are found in the User Manual, available from the SEP entry page under "Electronic proposal submission user manual", or through the following link

http://ec.europa.eu/research/participants/data/support/sep_usermanual.pdf

<http://ec.europa.eu/research/participants/portal/desktop/en/funding/guide.html>

Use of the system by the lead applicant (coordinator)

A coordinator can:

- Register as interested in submitting a proposal to a particular call;
- Set up (and modify) the composition of the consortium by adding/removing co-applicants;
- Complete Part A (sections 1 to 3) pertaining to the proposal in general, and add his own administrative details;
- Download the document template for Form B6 Description of Work – Technical Proposal and, when it is completed, upload it
- Submit the complete proposal Part A (sections 1 to 3) and Part B.

Use of the system by the other participants

Other participants can:

- Complete their own section 2 (part A) (administrative data of participating organisations);
- Download the document templates for 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.

Please read the SEP Starter Manual available on the Participant Portal for a detailed description of the submission process.

Note that completing sections 1 - 3 (Part A) in the submission system and uploading Part B does not mean that the proposal is submitted. Submission takes place when the process described below has been finalised.

Once there is a consolidated version of the proposal, the coordinator should select the SUBMIT button. The system will then first perform a limited automatic validation of the proposal. A list of any problems such as missing data, wrong file format or excessive file size will then appear on the screen. Submission is blocked until these problems are corrected. When corrected, the coordinator must again SUBMIT to achieve submission.

If the submission sequence described above is not completed with a successful submission, the Commission considers that no proposal has been submitted.

When the proposal is successfully submitted, the system will proceed to the next step. A message is displayed indicating that the proposal has been received. The system also sends a submission confirmation e-mail to the proposal coordinator, with the details of the submitted proposal. If no message is received, please note that the message can be blocked by the spam filter installed. Verify the settings of your anti-spam software and check the spam folder.

You can upload your Part B or submit your proposal as many times as you wish prior to the call deadline, but it is advised not to wait until the final moment to perform these operations. Every time you upload a new Part B document you must click on the submit button in order to save your changes.

You are advised to clean any 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. SEP will be closed for this call at the call deadline. After this moment, access to SEP for this call will be impossible.

<p><i>Do not wait until the last moment before submitting your proposal. Call deadlines are absolutely firm and are strictly enforced.</i></p>

Please note that you may submit successive drafts of your proposal through SEP. Each successive submission overwrites the previous version. To secure a timely submission you may consider to submit a draft well before the deadline, which can be further improved until 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 not accepted as extenuating circumstances; your proposal will be regarded as not submitted.

Submission occurs at the moment when the coordinator successfully completes the submission sequence described above. It is not the point at which you start the upload. Proposals should be registered with the correct call. If registered with another call by mistake, the proposal will be regarded as not submitted.

The submission of a proposal requires some acquaintance with the SEP system, a detailed knowledge of the contents of the proposal and the authority to make last-minute decisions on behalf of the co-applicants if problems arise.

Allow sufficient time before the deadline to complete the uploading sequence to avoid that you are not able to finish the process in time. Do not wait until the last moment!

In the unlikely event of a failure of the SEP 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, as well as on the web site of the SEP.

Such a failure is a rare and exceptional event. If you have difficulty in submitting your proposal, you should not assume this is due to a failure of the Commission server. Contact the SEP helpdesk 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 SEP can be rectified by simply submitting a corrected version. For as long as the call is open, the new submission will overwrite the previous one. Once the deadline has passed, however, the Commission can accept no further additions, corrections or re-submissions. The last 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 indicated in these guidelines for the Part B should 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.

Note that for the purpose of evaluation black and white copies are used. You are recommended to take this into account when using colour in your documents.

Withdrawing a proposal

You may withdraw a proposal before the deadline by clicking the withdraw proposal button

VIII.2. EVALUATION

Please note that the brief electronic message given by the SEP system after each submission is but an acknowledgement of receipt. This message does not imply that a proposal has been considered admissible or 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.

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:

- Proposed for award, in order of ranking, based on the score obtained after evaluation, and indicating the proposed amount to be financed by Community funds,
- Rejected, 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).

- Included in a reserve list. The Commission can decide to maintain 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.

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. 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. 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 final 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. From these participants, the Commission will request 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/desktop/en/home.html>

VIII.3. AWARD

The Commission may decide to request applicants, whose proposals have been recommended for award by the evaluation committee, to make certain limited adaptations to their proposal. In that case, 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 the request is refusing to ensure a positive follow-up to the request.

On the basis of a recommendation to award of the evaluation committee, a positive follow up of the suggested modifications to the proposal and a verification of additional documentation requested, the grant is awarded and the agreement signed.

A decision to reject an application or not to award a grant can 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.

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 name of the beneficiary(ies) name
- the address of the beneficiary when the latter is a legal person, or region when the beneficiary is a natural person, as defined on NUTS 2 level if he/she is domiciled within EU or equivalent if domiciled outside EU,
- the subject of the grant,
- the amount granted.

The reply to any call for proposals involves the recording and processing of personal data (such as name, address and CV). Such data will be processed pursuant to Regulation (EC) No 45/2001 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. Unless indicated otherwise, the questions and any personal data requested are required to evaluate the application in accordance with the specifications of the call for proposal will be processed solely for that purpose by [entity acting as data controller].

Details concerning the processing of personal data are available on the privacy statement at:

http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf

Personal data may be registered in the Early Detection and Exclusion System (EDES) if the applicant is in one of the situations mentioned in Article 106 of the Financial Regulation. For more information, see the Privacy Statement on:

http://ec.europa.eu/budget/explained/management/protecting/protect_en.cfm

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>

IX. ANNEX - CHECKLIST

Please use the following questionnaire to help you present a complete proposal.

Be as precise as possible. 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 SEP, nor to be submitted otherwise.

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 geographical conditions for eligibility		Partners of my proposal are legally established in the following countries:	
My proposal respects the legal status criteria for applicants		My proposal involves the following co-applicants and affiliated entities:	
Neither I nor my co-applicants or affiliated entities are in any of the exclusion situations (art. 106/107 FR)		I have provided the Form B/4. Exclusion Criteria Form in its original form for each applicant and affiliated entity	

I (and my co-applicants) have filled in sections 1 to 3 (part A).		I have provided this form for each applicant 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, my partners and (where appropriate) my affiliates have the required economic and financial capacity		I have filled in section 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 sections 1 to 3 (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 sections 1 to 3 (part A) is considered definitive.
- Is your Part B in portable document format (PDF), 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 SEP, nor through any other means.
- 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 SEP will automatically block the submission of any file containing a virus.
- Have you made yourself familiar with the SEP 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 SEP 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.