



# 3<sup>rd</sup> Health Programme & Consumer Programme

## Mono-Partner Model Specific Agreement

for Framework Partnerships

(CHAFEA SGA — Mono)

Version 2.0  
27 April 2017

### Disclaimer

This document is aimed at assisting applicants for EU funding. It shows the full range of provisions that may be applied to this type of grant agreement, and is provided for information purposes only. The legally binding grant agreement will be that which is signed by the parties for the action.

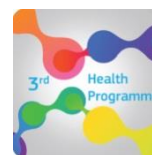


<b>HISTORY OF CHANGES</b>			
<b>Version</b>	<b>Publication Date</b>	<b>Change</b>	<b>Page</b>
1.0	15.01.2015	<ul style="list-style-type: none"><li>▪ Initial version</li></ul>	
2.0	27.04.2017	<ul style="list-style-type: none"><li>▪ Cross-references corrected</li><li>▪ Clarifications from H2020 V3.0 introduced</li><li>▪ Transformed into a general CHAFEA FPA/SGA model</li><li>▪ New Annex 4</li></ul>	



EUROPEAN COMMISSION  
CONSUMERS, HEALTH, AGRICULTURE  
AND FOOD EXECUTIVE AGENCY (CHAFEA)

Director



## MODEL SPECIFIC AGREEMENT FOR THE 3<sup>rd</sup> HEALTH PROGRAMME<sup>1</sup> CONSUMER PROGRAMME<sup>2</sup> (CHAFEA SGA — MONO)

- Footnotes blue will not appear in the text generated by the IT system for signature ((since they are internal instructions only).
- Text in grey indicates that text which appears in other EU MGAs is not applicable in this grant agreement.
- For options [*in italics, in square brackets*]: the applicable option must be chosen in the IT system. Options not chosen will automatically either not appear or appear as 'not applicable'. Options chosen will appear *in italics* without brackets and without the Option title (to allow partners to easily spot that a specific rule applies).
- For fields in [grey in square brackets] (even if they are part of an option as specified in the previous item): enter the appropriate data in the IT system.
- The IT system will generate a data sheet confirming the options chosen and the data entered.

### SPECIFIC AGREEMENT

NUMBER [insert number] — [insert acronym]

This 'Specific Agreement' is between the following parties:

on the one part,

the Consumers, Health, Agriculture and Food Executive Agency (CHAFEA) ('the Agency'), under the powers delegated by the European Commission ('the

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<sup>1</sup> Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC, (OJ L 86, 21/3/2014, p.1).

<sup>2</sup> Regulation (EU) No 254/2014 of the European Parliament and of the Council of 26 February 2014 on a multiannual consumer programme for the years 2014-20 and repealing Decision No 1926/2006/EC, (OJ L 84, 20/3/2014, p. 42).

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

EU Model Grant Agreements: CHAFEA SGA — Mono: V2.0 - 27.04.2017

Commission'), represented for the purposes of signature of this Specific Agreement by [forename and surname], Director, or his/her duly authorised representative<sup>3</sup>,

**and**

**on the other part,**

'the partner':

[full official name (short name)], established in [official address in full], [*OPTION for partners with VAT: VAT number [insert number],*] [*OPTION for partners not receiving EU funding: as 'partner not receiving EU funding' (see Article 6a),*] represented for the purposes of signing the Specific Agreement by [forename and surname, function].

By entering into the Specific Agreement, the partner accepts the grant and agrees to implement the specific action under its own responsibility and in accordance with the Framework Partnership Agreement and this Specific Agreement, with all the obligations and conditions they set out.

The Specific Agreement is composed of:

Terms and Conditions

- |         |   |
|---------|---|
| Annex 1 | Description of the action                                   |
| Annex 2 | Estimated budget for the action                             |
|         | Annex 2a Not applicable                                     |
| Annex 3 | Model for the financial statements                          |
| Annex 4 | Model for the certificate on the financial statements (CFS) |

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<sup>3</sup> The person representing the Agency must be an authorising officer (by delegation or sub-delegation) designated in accordance with document 60008 of 22/02/2001 '*Mise en place de la Charte des ordonnateurs*'.

## TERMS AND CONDITIONS

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## **CHAPTER 1 GENERAL**

### **ARTICLE 1 — SUBJECT OF THE AGREEMENT**

This Agreement sets out the specific terms and conditions and rights and obligations applicable to the specific grant awarded to the partner for implementing a specific action under the Framework Partnership Agreement No [insert number] — [insert acronym] (‘**Framework Partnership Agreement (FPA)**’)

## **CHAPTER 2 ACTION**

### **ARTICLE 2 — ACTION TO BE IMPLEMENTED**

The specific action to be implemented is entitled [insert title of the action in bold] — [insert acronym] (‘**action**’) and is described in Annex 1.

### **ARTICLE 3 — DURATION AND STARTING DATE OF THE ACTION**

The duration of the specific action will be [insert number] months as of [OPTION 1 by default: the first day of the month following the date the Specific Agreement enters into force (see Article 13)<sup>4</sup>] [OPTION 2 if needed for the action: [insert date]<sup>5, 6</sup>] (‘**starting date of the action**’).

## **CHAPTER 3 SPECIFIC GRANT**

### **ARTICLE 4 — GRANT AMOUNT, FORM OF GRANT, REIMBURSEMENT RATE AND FORMS OF COSTS**

#### **4.1 Maximum grant amount**

The ‘**maximum grant amount**’ for the specific grant is EUR [insert amount (insert amount in words)].

#### **4.2 Form of grant, reimbursement rate and forms of costs**

The grant reimburses [...] % of the action’s eligible costs (see Article 5) (‘**reimbursement of eligible costs grant**’) (see Annex 2).

The estimated eligible costs of the action are EUR [insert amount (insert amount in words)].

<sup>4</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

<sup>5</sup> This date must be the first day of a month and it must be later than the date of entry into force of the agreement, unless authorised otherwise by the authorising officer, if the applicant can demonstrate the need to start the action before the entry into force of the specific agreement or the need to start the action on another day than the first day of the month. In any case, the starting date should not be earlier than the date of the submission of the grant application (Article 130 FR).

<sup>6</sup> Text in *italics* shows the options of the Model Grant Agreement that are applicable to this Agreement.

Eligible costs (see Article 5) must be declared under the following forms (**‘forms of costs’** or **‘cost forms’**):

- (a) for **direct personnel costs**: as actually incurred costs (**‘actual costs’**);
- (b) for **direct costs of subcontracting**: as actually incurred costs (**actual costs**);
- (c) for **other direct costs**: as actually incurred costs (**actual costs**);
- (d) for **indirect costs**: on the basis of a flat-rate applied as set out in Article 5.2.D (**‘flat-rate costs’**).

## ARTICLE 5 — ELIGIBLE AND INELIGIBLE COSTS

### 5.1 General conditions for costs to be eligible

**‘Eligible costs’** are costs that meet the following criteria:

- (a) for **actual costs**:
  - (i) they must be actually incurred by the partner;
  - (ii) they must be incurred in the period set out in Article 3, with the exception of costs relating to the submission of *[OPTION for actions with several RPs and interim payments: the periodic report for the last reporting period and]* the final report (see Article 11);
  - (iii) they must be indicated in the estimated budget set out in Annex 2;
  - (iv) they must be incurred in connection with the specific action as described in Annex 1 and necessary for its implementation;
  - (v) they must be identifiable and verifiable, in particular recorded in the partner’s accounts in accordance with the accounting standards applicable in the country where the partner is established and with the partner’s usual cost accounting practices;
  - (vi) they must comply with the applicable national law on taxes, labour and social security, and
  - (vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (b) for **unit costs**: not applicable;
- (c) for **flat-rate costs**:
  - (i) they must be calculated by applying the flat-rate set out in Annex 2, and



- (ii) the costs (actual costs ) to which the flat-rate is applied must comply with the conditions for eligibility set out in this Article;

(d) for **lump sum costs**: not applicable.

## 5.2 Specific conditions for costs to be eligible

Costs are eligible if they comply with the general conditions (see above) and the specific conditions set out below for each of the following budget categories:

- A. direct personnel costs;
- B. direct costs of subcontracting;
- C. other direct costs;
- D. indirect costs;

‘Direct costs’ are costs that are directly linked to the action implementation and can therefore be attributed to it directly. They must not include any indirect costs (see Point D below).

‘Indirect costs’ are costs that are not directly linked to the specific action implementation and therefore cannot be attributed directly to it.

### A. Direct personnel costs

#### Types of eligible personnel costs

A.1 Personnel costs are eligible, if they are related to personnel working for the partner under an employment contract (or equivalent appointing act) and assigned to the action (**‘costs for employees (or equivalent)’**). They must be limited to salaries, social security contributions, taxes and other costs included in the **remuneration**, if they arise from national law or the employment contract (or equivalent appointing act).

The partner may include **additional remuneration** for personnel assigned to the specific action (including payments on the basis of supplementary contracts regardless of their nature), if:

- (a) it is part of the partner’s usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required;
- (b) the criteria used to calculate the supplementary payments are objective and generally applied by the partner, regardless of the source of funding used.

A.2 The **costs for natural persons working under a direct contract** with the partner other than an employment contract or **seconded by a third party against payment** are eligible personnel costs, if:

- (a) the person works under the partner’s instructions and, unless otherwise agreed with the partner, on the partner’s premises;

- (b) the result of the work carried out belongs to the partner, and
- (c) the costs are not significantly different from those for personnel performing similar tasks under an employment contract with the partner.

### **Calculation**

Personnel costs must be calculated by the partner as follows:

- for persons **working exclusively on the action**:

{monthly rate for the person  
multiplied by  
number of actual months worked on the action}.

The months declared for these persons may not be declared for any other EU or Euratom grant.

The ‘**monthly rate**’ is calculated as follows:

{annual personnel costs for the person  
divided by  
12}

using the personnel costs for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the partner must use the monthly rate of the last closed financial year available.

- for all **other** persons:

{daily rate for the person  
multiplied by  
number of actual days worked on the action (rounded up or down to the nearest half-day)}.

The number of actual days declared for a person must be identifiable and verifiable (see Article 13).

The total number of days declared in EU or Euratom grants, for a person for a year, cannot be higher than the annual productive days used for the calculations of the daily rate. Therefore, the maximum number of days that can be declared for the grant are:

{number of annual productive days for the year (see below)  
minus

total number of days declared by the partner, for that person for that year, for other EU or Euratom grants}.

The ‘**daily rate**’ is calculated as follows:

{annual personnel costs for the person  
divided by  
number of individual annual productive days}

using the personnel costs and the number of annual productive days for each full financial year covered by the reporting period concerned. If a financial year is not closed at the end of the reporting period, the partner must use the daily rate of the last closed financial year available.

The ‘number of individual annual productive days’ is the total actual days worked by the person in the year. It may not include holidays and other absences (such as sick leave, maternity leave, special leave, etc). However, it may include overtime and time spent in meetings, trainings and other similar activities.

**B. Direct costs of subcontracting** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner, if it is not a public body acting as public authority) are eligible if the conditions in Article 8.1.1 are met.

### **C. Other direct costs**

**C.1 Travel costs and related subsistence allowances** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner, if it is not a public body acting as public authority) are eligible if they are in line with the partner’s usual practices on travel.

**C.2 The depreciation costs for equipment, infrastructure or other assets** (new or second-hand) as recorded in the partner’s accounts are eligible, if they were purchased in accordance with Article 7.1.1 and written off in accordance with international accounting standards and the partner’s usual accounting practices.

The **costs of renting or leasing** equipment, infrastructure or other assets (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner, if it is not a public body acting as public authority) are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

The only portion of the costs that will be taken into account is that which corresponds to the duration of the action and rate of actual use for the purposes of the action.

**C.3 Costs for other goods and services** (including related duties, taxes and charges such as non-deductible value added tax (VAT) paid by the partner, if it is not a public body acting as public authority) are eligible, if they are purchased specifically for the specific action and in accordance with Article 7.1.1.

Such goods and services include, for instance, consumables and supplies, dissemination, protection of results, certificates on the financial statements (if they are required by the Agreement), translations and publications.

#### **D. Indirect costs**

**Indirect costs** are eligible if they are declared on the basis of the flat-rate of 7% of the eligible direct costs (see Article 4.2 and Points A to C above)

If the partner receives an operating grant<sup>7</sup> financed by the EU or Euratom budget, it cannot declare indirect costs for the period covered by the operating grant.

#### **5.3 Conditions for costs of affiliated entities to be eligible**

*[OPTION 1 to be used if Article 16 FPA applies: Costs incurred by affiliated entities are eligible, if they fulfil — mutatis mutandis — the general and specific conditions for eligibility set out in this Article (Article 5.1 and 5.2) and Article 9.1.1.]*

*[OPTION 2: Not applicable]*

#### **5.4 Ineligible costs**

‘**Ineligible costs**’ are:

- (a) costs that do not comply with the conditions set out above (Article 5.1 to 5.3), in particular:
  - (i) costs related to return on capital;
  - (ii) debt and debt service charges;
  - (iii) provisions for future losses or debts;
  - (iv) interest owed;
  - (v) doubtful debts;
  - (vi) currency exchange losses;
  - (vii) bank costs charged by the partner’s bank for transfers from the Agency;

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<sup>7</sup> For the definition, see Article 121(1)(b) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (‘**Financial Regulation No 966/2012**’) (OJ L 218, 26.10.2012, p.1): ‘**operating grant**’ means direct financial contribution, by way of donation, from the budget in order to finance the functioning of a body which pursues an aim of general EU interest or has an objective forming part of and supporting an EU policy.

- (viii) excessive or reckless expenditure;
  - (ix) deductible VAT;
  - (x) costs incurred during suspension of the implementation of the action (see Article 38 FPA);
  - (xi) in-kind contributions provided by third parties
- (b) costs declared under another EU or Euratom grant (including grants awarded by a Member State and financed by the EU or Euratom budget and grants awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the partner is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- (c) costs for staff of a national (or local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant);
- (d) costs (especially travel and subsistence costs) for staff or representatives of EU institutions, bodies or agencies[;][.]
- [(e) **OPTION for cost categories explicitly excluded in the work programme and call for proposals**<sup>8</sup>: [insert name of excluded cost category]].*

## **5.5 Consequences of declaration of ineligible costs**

Declared costs that are ineligible will be rejected (see Article 31 FPA).

This may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **CHAPTER 4 RIGHTS AND OBLIGATIONS OF THE PARTIES**

### **SECTION 1 RIGHTS AND OBLIGATIONS RELATED TO IMPLEMENTING THE SPECIFIC ACTION**

#### **ARTICLE 6 — RESOURCES TO IMPLEMENT THE ACTION — THIRD PARTIES INVOLVED IN THE ACTION**

The partner must have the appropriate resources to implement the specific action.

If it is necessary to implement the specific action, the partner may:

- purchase goods, works and services (see Article 7);

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<sup>8</sup> If no call for proposals, read as 'invitation to submit a proposal'.

- call upon subcontractors to implement action tasks described in Annex 1 (see Article 8);
- call upon affiliated entities to implement action tasks described in Annex 1 (see Article 9).

In these cases, the partner retains sole responsibility towards the Agency for implementing the specific action.

## **ARTICLE 6a — IMPLEMENTATION OF ACTION TASKS BY A PARTNER NOT RECEIVING EU FUNDING**

Not applicable

## **ARTICLE 7 — PURCHASE OF GOODS, WORKS OR SERVICES**

### **7.1 Rules for purchasing goods, works or services**

7.1.1 If necessary to implement the specific action, the partner may purchase goods, works or services.

The partner must make such purchases ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 25 FPA).

The partner must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 FPA also towards its contractors.

7.1.2 If the partner is a ‘contracting authority’ within the meaning of Directive 2004/18/EC<sup>9</sup> (or 2014/24/EU<sup>10</sup>) or ‘contracting entity’ within the meaning of Directive 2004/17/EC<sup>11</sup> (or 2014/25/EU<sup>12</sup>) it must comply with the applicable national law on public procurement.

### **7.2 Consequences of non-compliance**

If the partner breaches any of its obligations under Article 7.1.1, the costs related to the contract concerned will be ineligible (see Article 5) and will be rejected (see Article 31 FPA).

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<sup>9</sup> Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts (OJ L 134, 30.04.2004, p. 114).

<sup>10</sup> Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, p. 65).

<sup>11</sup> Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.04.2004, p. 1).

<sup>12</sup> Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).

If the partner breaches any of its obligations under Article 7.1.2, the specific grant may be reduced (see Article 32 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **ARTICLE 8 — IMPLEMENTATION OF ACTION TASKS BY SUBCONTRACTORS**

### **8.1 Rules for subcontracting action tasks**

8.1.1 If necessary to implement the specific action, the partner may award subcontracts covering the implementation of certain action tasks described in Annex 1.

Subcontracting may cover only a limited part of the specific action.

The partner must award the subcontracts ensuring the best value for money or, if appropriate, the lowest price. In doing so, it must avoid any conflict of interests (see Article 25 FPA).

The tasks to be implemented and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting must be set out in Annex 2. The Agency may however approve subcontracts not set out in those Annexes without amendment (see Article 44 FPA), if:

- they are specifically justified in the *[periodic]* technical report, and
- they do not entail changes to the Specific Agreement which would call into question the decision awarding the specific grant or breach the principle of equal treatment of applicants.

The partner must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 FPA also towards its subcontractors.

8.1.2 The partner must ensure that its obligations under Articles 25, 26, 27 and 35 FPA also apply to the subcontractors.

If the partner is a ‘contracting authority’ within the meaning of Directive 2004/18/EC (or 2014/24/EU) or ‘contracting entity’ within the meaning of Directive 2004/17/EC (or 2014/25/EU) it must comply with the applicable national law on public procurement.

### **8.2 Consequences of non-compliance**

If the partner breaches any of its obligations under Article 8.1.1, the costs related to the subcontract concerned will be ineligible (see Article 5) and will be rejected (see Article 31 FPA).

If the partner breaches any of its obligations under Article 8.1.2, the specific grant may be reduced (see Article 32 FPA).

Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## **ARTICLE 9 — IMPLEMENTATION OF ACTION TASKS BY AFFILIATED ENTITIES**

***[OPTION 1 to be used if Article 16 FPA applies: 9.1 Rules for calling upon affiliated entities to implement part of the action***

*9.1.1 The affiliated entities listed in Article 16 FPA may implement action tasks attributed to them in Annex 1.*

*They may declare as eligible the costs they incur for implementing the action tasks in accordance with Article 5.*

*The partner must ensure that the Agency, the Commission, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) can exercise their rights under Articles 22 and 23 FPA also towards its linked third parties.*

*9.1.2 The partner must ensure that its obligations under Articles 18, 20, 25, 26 and 27 FPA also apply to its affiliated entities.*

### **9.2 Consequences of non-compliance**

*If any obligation under Article 9.1.1 is breached, the costs of the affiliated entity will be ineligible (see Article 5) and will be rejected (see Article 31 FPA).*

*If any obligation under Article 9.1.2 is breached, the specific grant may be reduced (see Article 32 FPA).*

*Such breaches may also lead to any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement. ]*

***[OPTION 2: Not applicable]***

## **ARTICLE 9a — FINANCIAL SUPPORT TO THIRD PARTIES**

Not applicable

## **SECTION 2 RIGHTS AND OBLIGATIONS RELATED TO THE GRANT ADMINISTRATION**

### **ARTICLE 10 — SUBMISSION OF DELIVERABLES**

#### **10.1 Obligation to submit deliverables**

The partner must submit the ‘**deliverables**’ identified in Annex 1, in accordance with the timing and conditions set out in it.



## 10.2 Consequences of non-compliance

If the partner breaches any of its obligations under this Article, the Agency may apply any of the measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

## ARTICLE 11 — REPORTING — PAYMENT REQUESTS

### 11.1 Obligation to submit reports

The partner must submit to the Agency (see Article 41 FPA) the technical and financial report(s) set out in this Article. [*OPTION 1 for actions with one RP and NO interim payments: This report includes*][*OPTION 2 for actions with several RPs and interim payments: These reports include*] the request(s) for payment and must be drawn up using the forms and templates provided in the electronic exchange system (see Article 41 FPA).

### 11.2 Reporting periods

The specific action [*OPTION 1 for actions with one RP and NO interim payments: has one 'reporting period'*][*OPTION 2 for actions with several RPs and interim payments: is divided into the following 'reporting periods'*]:

- RP1: from month 1 to month [X]
- [- RP2: from month [X+1] to month [Y]
- [same for other RPs]]

#### 11.2a Request(s) for further pre-financing payment(s)

Not applicable

[*OPTION 1 for actions with one RP and NO interim payments:*

#### 11.3 Periodic reports — Requests for interim payments

Not applicable

#### 11.4 Final report — Request for payment of the balance

The partner must submit — within 60 days following the end of the reporting period — a final report, which includes the request for payment of the balance.

The **final report** must include the following:

- (a) a '**final technical report**' containing:
  - (i) an **explanation of the work carried out** by the partner;
  - (ii) an **overview of the implementation** of the specific action, including milestones and deliverables identified in Annex 1.

*This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out;*

- (iii) *a **summary** for publication by the Agency;*
- (iv) *the answers to the ‘**questionnaire**’: [OPTION A for the Health Programme: covering issues related to the action implementation and its impact;] [OPTION B for the Consumer Programme: not applicable;]*

(b) *a ‘**final financial report**’ containing:*

- (i) *an ‘**individual financial statement**’ (see Annex 3) [from the partner and each affiliated entity], for the reporting period.*

*The individual financial statement must detail the eligible costs (actual[, unit costs] and flat-rate costs [and lump sum costs]; see Article 5) for each budget category (see Annex 2).*

*The partner [and each affiliated entity] must declare all eligible costs, even if — for actual costs[, unit costs] and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the Agency.*

*The individual financial statement must also detail the **receipts of the specific action** (see Article 10.3.3 FPA).*

*The partner [and each affiliated entity] must **certify** that:*

- *the information provided is full, reliable and true;*
- *the costs declared are eligible (see Article 5);*
- *the costs can be substantiated by adequate records and supporting documentation (see Article 18 FPA) that will be produced upon request (see Article 17 FPA) or in the context of checks, reviews, audits and investigations (see Article 22 FPA), and*
- *that all the receipts have been declared (see Article 10.3.3 FPA);*

- (ii) *an **explanation of the use of resources** and the information on subcontracting (see Article 8) [from the partner and each affiliated entity], for the reporting period;*
- (iii) *not applicable;*
- (iv) *a ‘**final summary financial statement**’, created automatically by the electronic exchange system, [OPTION if Article 16 FPA applies:*

*consolidating the individual financial statements for the reporting period and] including the **request for payment of the balance**;*

- (v) ***[OPTION A to be used by default, unless RAO waives the certificate for the partner and all affiliated entities (public body/international organisation exemption<sup>13</sup>): a ‘certificate on the financial statements’ (drawn up in accordance with Annex 4) [for the partner] [and] [for each affiliated entity], if:***

- *it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and*
- *the maximum EU contribution indicated, for [the partner][or] [affiliated entity], in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more[.]*

***[OPTION to be used for affiliated entities for which the RAO waives the certificate: — except for the following affiliated entities:***

- *[short name of affiliated entity]*
- *[short name of affiliated entity].] ]*

***[OPTION B to be used if RAO waives the certificate for the partner and all affiliated entities: not applicable] ]***

***[OPTION 2 for actions with several RPs and interim payments:***

### ***11.3 Periodic reports — Requests for interim payments***

*The partner must submit a periodic report within 60 days following the end of each reporting period.*

*The **periodic report** must include the following:*

- (a) *a **‘periodic technical report’** containing:*

- (i) *an **explanation of the work carried out** by the partner;*
- (ii) *an **overview of the progress** towards the objectives of the specific action, including milestones and deliverables identified in Annex 1.*

*This report must include explanations justifying the differences between work expected to be carried out in accordance with Annex 1 and that actually carried out.*

- (iii) *a **summary** for publication by the Agency;*

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<sup>13</sup> See Article 207 RAP.

- (iv) *the answers to the ‘questionnaire’*: [**OPTION A for the Health Programme: covering issues related to the action implementation and its impact;**] [**OPTION B for the Consumer Programme: not applicable;**]

(b) a **‘periodic financial report’** containing:

- (i) an **‘individual financial statement’** (see Annex 3) [from the partner and each affiliated entity], for the reporting period concerned.

*The individual financial statement must detail the eligible costs (actual costs[, unit costs] and flat-rate costs [and lump sum costs]; see Article 5) for each budget category (see Annex 2).*

*The partner [and affiliated entities] must declare all eligible costs, even if — for actual costs[, unit costs] and flat-rate costs — they exceed the amounts indicated in the estimated budget (see Annex 2). Amounts which are not declared in the individual financial statement will not be taken into account by the Agency.*

*If an individual financial statement is not submitted for a reporting period, it may be included in the periodic financial report for the next reporting period.*

*The individual financial statements of the last reporting period must also detail the **receipts of the specific action** (see Article 10.3.3 FPA).*

*The partner [and each affiliated entity] must **certify** that:*

- *the information provided is full, reliable and true;*
- *the costs declared are eligible (see Article 5);*
- *the costs can be substantiated by adequate records and supporting documentation (see Article 18 FPA) that will be produced upon request (see Article 17 FPA) or in the context of checks, reviews, audits and investigations (see Article 22 FPA), and*
- *for the last reporting period: that all the receipts have been declared (see Article 10.3.3 FPA);*

- (ii) an **‘explanation of the use of resources and the information on subcontracting** (see Article 8) [from the partner and each affiliated entity], for the reporting period concerned;

(iii) *not applicable;*

- (iv) a **‘periodic summary financial statement’**, created automatically by the electronic exchange system [**OPTION if Article 16 FPA applies: consolidating the individual financial statements for the reporting period**

concerned and] including — except for the last reporting period — the **request for interim payment**;

- (v) **[OPTION A to be used by default, unless RAO waives the certificate for the partner and all affiliated entities (public body/international organisation exemption<sup>14</sup>): a ‘certificate on the financial statements’ (drawn up in accordance with Annex 4) [for the partner] [and] [for each affiliated entity], if:**

- the (cumulative) amount of EU contribution it requests as reimbursement of actual costs (and for which no certificate has yet been submitted) is EUR 325 000 or more and
- the maximum EU contribution indicated, [for the partner] [or] [affiliated entity], in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more[.]

**[OPTION to be used for affiliated entities for which the RAO waives the certificate: — except for the following affiliated entities:**

- [short name of affiliated entity]
- [short name of affiliated entity].]

**[OPTION B to be used if RAO waives the certificate for the partner and all affiliated entities: not applicable]**

#### **11.4 Final report — Request for payment of the balance**

*In addition to the periodic report for the last reporting period, the partner must submit the final report within 60 days following the end of the last reporting period.*

*The **final report** must include the following:*

- (a) a **‘final technical report’** with a **summary** for publication containing:
- (i) *an overview of the results and their dissemination;*
  - (ii) *the conclusions on the action[;][and]*
  - (iii) **[OPTION A for the Health Programme: the impact of the action;] [OPTION B for the Consumer Programme: not applicable;]**
- (b) a **‘final financial report’** containing a **‘final summary financial statement’**, created automatically by the electronic exchange system, consolidating the individual financial statements for all reporting periods and including the **request for payment of the balance.** ]

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<sup>14</sup> See Article 207 RAP.

## 11.5 Information on cumulative expenditure incurred

***[OPTION 1 for big grants above EUR 5 million with reporting periods beyond 18 months<sup>15</sup>: In addition to the reporting requirements set out above, the partner must inform the [Commission][Agency] by [31 December][30 November] each year of the cumulative expenditure incurred from the starting date of the action.***

*This information is required for the Commission's accounting purposes and will not be used to calculate the final grant amount.]*

***[OPTION 2: Not applicable]***

## 11.6 Currency for financial statements and conversion into euro

Financial statements must be drafted in euro.

If the partner *[or an affiliated entity]* has an accounting established in a currency other than the euro, it must convert the costs recorded in its accounts into euro at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union* calculated over the corresponding reporting period.

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, they must be converted at the average of the monthly accounting rates published on the Commission's website calculated over the corresponding reporting period.

If the partner *[or an affiliated entity]* has an accounting established in euro, it must convert costs incurred in another currency into euro according to its usual accounting practices.

## 11.7 Language of reports

All report(s) (including financial statement(s)) must be submitted in the language of the Specific Agreement.

## 11.8 Consequences of non-compliance

If the report(s) submitted do not comply with this Article, the Agency may suspend the payment deadline (see Article 36 FPA) and apply any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

If the partner breaches its obligation to submit the report(s) and if it fails to comply with this obligation within 30 days following a written reminder, the Agency may terminate the Specific Agreement (see Article 39 FPA) or apply any of the other measures described in Section 5 of Chapter 3 of the Framework Partnership Agreement.

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<sup>15</sup> To be added in the case of grants of more than EUR 5 million for which a pre-financing is paid and the reporting periods for interim payments or payments of the balance exceed eighteen months.

## ARTICLE 12 — PAYMENTS AND PAYMENT ARRANGEMENTS

### 12.1 Payments to be made

The following payments will be made to the partner:

- a **pre-financing payment**;
- *[OPTION for actions with several RPs and interim payments: one or more interim payments, on the basis of the request(s) for interim payment (see Article 11), and]*
- one **payment of the balance**, on the basis of the request for payment of the balance (see Article 11).

### 12.2 Pre-financing payment — Amount [*— Pre-financing guarantee*]

*[OPTION 1 by default: The aim of the pre-financing is to provide the partner with a float.*

*It remains the property of the EU until the payment of the balance.*

*The amount of the pre-financing payment will be EUR [insert amount (insert amount in words)].*

*The Agency will — except if Article 37 FPA applies — make the pre-financing payment to the partner within 30 days, either from the entry into force of the Specific Agreement (see Article 13) or from 10 days before the starting date of the specific action (see Article 3) [OPTION if Agency requires a pre-financing guarantee: or from receiving the pre-financing guarantee], whichever is the latest.*

*[additional OPTION if the Agency requires a pre-financing guarantee<sup>16</sup>: The payment of the pre-financing will be conditional on receiving a financial guarantee of EUR [insert amount (insert amount in words)].*

*The guarantee must fulfil the following conditions:*

- (a) *be provided by a bank or an approved financial institution or — if requested by the partner and accepted by the Agency — by a third party;*
- (b) *the guarantor stands as first-call guarantor and does not require the Agency (or Commission) to first have recourse against the principal debtor (i.e. the partner), and*
- (c) *remains explicitly in force until the payment of the balance and, if the payment of the balance takes the form of recovery, until three months after the debit note is notified to the partner.*

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<sup>16</sup> A pre-financing guarantee may be required by the responsible authorising officer, if s/he considers it necessary (i.e. appropriate and proportionate), to limit the financial risks connected with the payment of pre-financing. Pre-financing guarantees may not be requested for low-value grants (see Article 134 of the Financial Regulation).

*The guarantee will be released within the following month.] ]*

***[OPTION 2 if the JRC is the partner: The [DG][Agency] will make a pre-financing payment of EUR [insert amount (insert amount in words)], within 30 days from the submission of a debit note from the JRC after the signature of the Administrative Arrangement. ]***

### **12.3 Interim payments — Amount — Calculation**

***[OPTION 1 for actions with one RP and NO interim payments: Not applicable]***

***[OPTION 2 for actions with several RPs and interim payments: Interim payments reimburse the eligible costs incurred for the implementation of the specific action during the corresponding reporting periods.***

*The Agency will pay to the partner the amount due as interim payment within 60 days from receiving the periodic report (see Article 11), except if Articles 36 or 37 FPA apply.*

*Payment is subject to the approval of the periodic report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.*

*The **amount due as interim payment** is calculated by the Agency in the following steps:*

*Step 1 — Application of the reimbursement rate*

*Step 2 — Limit to 90% of the maximum grant amount*

#### **12.3.1 Step 1 — Application of the reimbursement rate**

*The reimbursement rate (see Article 4.2) are applied to the eligible costs (actual costs[, unit costs] and flat-rate costs [and lump sum costs]; see Article 5) declared by the partner [and the affiliated entities] (see Article 11) and approved by the Agency (see above) for the concerned reporting period.*

#### **12.3.2 Step 2 — Limit to 90% of the maximum grant amount**

*The total amount of pre-financing and interim payments must not exceed 90% of the maximum grant amount set out in Article 4.1. The maximum amount for the interim payment will be calculated as follows:*

*{90% of the maximum grant amount (see Article 4.1)*

*minus*

*{pre-financing and previous interim payments}].]*

### **12.4 Payment of the balance — Amount — Calculation**

*The payment of the balance reimburses the remaining part of the eligible costs incurred by the partner for the implementation of the specific action.*



If the total amount of earlier payments is greater than the final grant amount (see Article 10 FPA), the payment of the balance takes the form of a recovery (see Article 33 FPA).

If the total amount of earlier payments is lower than the final grant amount, the Agency will pay the balance within 60 days from receiving the final report (see Article 11), except if Articles 36 or 37 FPA apply.

Payment is subject to the approval of the final report. Its approval does not imply recognition of compliance, authenticity, completeness or correctness of its content.

The **amount due as the balance** is calculated by the Agency by deducting the total amount of pre-financing and interim payments (if any) already made, from the final grant amount determined in accordance with Article 10 FPA:

$$\begin{aligned} & \{ \text{final grant amount (see Article 10 FPA)} \\ & \text{minus} \\ & \{ \text{pre-financing and interim payments (if any) made} \} \}. \end{aligned}$$

If the balance is positive, it will be paid to the partner.

The amount to be paid may however be offset — without the partner's consent — against any other amount owed by the partner to the Agency, the Commission or another executive agency (under the EU or Euratom budget), up to the maximum EU contribution indicated, for the partner, in the estimated budget (see Annex 2).

If the balance is negative, it will be recovered (see Article 33 FPA).

## 12.5 Notification of amounts due

When making payments, the Agency will formally notify to the partner the amount due and specify that it concerns *[OPTION for actions with several RPs and interim payments: an interim payment or]* the payment of the balance.

For the payment of the balance, the notification will also specify the final grant amount.

In the case of reduction of the specific grant or recovery of undue amounts, the notification will be preceded by the contradictory procedure set out in Articles 32 and 33 FPA.

## 12.6 Currency for payments

The Agency will make all payments in euro.

## 12.7 Payments to the partner

Payments will be made to the partner.

Payments will discharge the Agency from its payment obligation.

## 12.8 Bank account for payments

*[OPTION 1 by default: All payments will be made to the following bank account:*

Name of bank: [...]

Full name of the account holder: [...]

Full account number (including bank codes): [...]

[IBAN code: [...]]<sup>17</sup> ]

*[OPTION 2 if the JRC is the partner: All payments will be made in accordance with the Commission's accounting rules on internal invoicing, from the operational budget line of the [DG][Agency] to the Legal Entity File (LEF) number of the JRC and mentioning the recovery order (RO) number. The JRC will submit a debit note for each payment (including the pre-financing).]*

## 12.9 Costs of payment transfers

The cost of the payment transfers is borne as follows:

- the Agency bears the cost of transfers charged by its bank;
- the partner bears the cost of transfers charged by its bank;
- the party causing a repetition of a transfer bears all costs of the repeated transfer.

## 12.10 Date of payment

Payments by the Agency are considered to have been carried out on the date when they are debited to its account.

## 12.11 Consequences of non-compliance

12.11.1 *[OPTION 1 by default: If the Agency does not pay within the payment deadlines (see above), the partner is entitled to **late-payment interest** at the rate applied by the European Central Bank (ECB) for its main refinancing operations in euros ('reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the payment deadline expires, as published in the C series of the Official Journal of the European Union.*

*If the late-payment interest is lower than or equal to EUR 200, it will be paid to the partner only upon request submitted within two months of receiving the late payment.*

*Late-payment interest is not due if the partner is an EU Member State (including regional and local government authorities or other public bodies acting on behalf of a Member State for the purpose of the Framework Partnership Agreement and the Specific Agreement).*

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<sup>17</sup> BIC or SWIFT code applies to for countries if the IBAN code does not apply.

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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*Suspension of the payment deadline or payments (see Articles 36 and 37 FPA) will not be considered as late payment.*

*Late-payment interest covers the period running from the day following the due date for payment (see above), up to and including the date of payment.*

*Late-payment interest is not considered for the purposes of calculating the final grant amount.]*

**[OPTION 2 if the JRC is the partner: Not applicable]**

12.11.2 Not applicable

## **CHAPTER 5 FINAL PROVISIONS**

### **ARTICLE 13 — ENTRY INTO FORCE OF THE SPECIFIC AGREEMENT**

The Specific Agreement will enter into force on the day of signature by the Agency or the partner, depending on which is later.

#### **SIGNATURES**

For the partner

[function/forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

For the Agency

[forename/surname]  
[electronic signature]

Done in [English] on [electronic time stamp]

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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## **ANNEX 1**

### **DESCRIPTION OF THE ACTION**

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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MODEL ANNEX 2 CHAFEA SGA — MONO

ESTIMATED BUDGET FOR THE ACTION

Estimated eligible <sup>1</sup> costs (per budget category)					EU contribution		
A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	D. Indirect costs <sup>2</sup>	Total costs	Reimbursement rate <sup>3</sup> %	Maximum EU contribution <sup>4</sup>	Maximum grant amount <sup>5</sup>
A.1 Employees (or equivalent) A.2 Natural persons under direct contract and seconded persons		C.1 Travel C.2 Equipment C.3 Other goods and services					
<b>Cost form <sup>6</sup></b>	Actual	Actual	Flat-rate <sup>7</sup> 7%				
	a	b	d = 0,07 * (a + b + c)	e = a + b + c + d	f	g = e * f	h
[short name partner]							
[short name affiliated entity]							
<b>Total</b>							

(i)

Action's estimated receipts		
Income generated by the action	Financial contribution given by third parties to the partner	Total receipts
k	l	m = k+l

<sup>1</sup> See Article 5 SGA for the eligibility conditions.

<sup>2</sup> The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme). If you receive an operating grant during the action's duration, you cannot claim any indirect costs for the year(s)/reporting period covered by the operating grant.

<sup>3</sup> See Article 4.1 SGA for the reimbursement rate.

<sup>4</sup> This is the *theoretical* amount of the EU contribution, if the reimbursement rate is applied to *all* the budgeted costs. This theoretical amount is then capped by the maximum grant amount.

<sup>5</sup> The maximum grant amount is the maximum grant amount decided by the Agency. It normally corresponds to the requested grant, but may be lower.

<sup>6</sup> See Article 4 SGA for cost forms.

<sup>7</sup> Flat rate : 7% of eligible direct costs.

Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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landscape

MODEL ANNEX 3 CHAFEA SGA — MONO

FINANCIAL STATEMENT FOR [PARTNER [name]/AFFILIATED ENTITY [name]] FOR THE REPORTING PERIOD [number]

	Eligible <sup>1</sup> costs (per budget category)				Receipts			EU contribution			
	A. Direct personnel costs	B. Direct costs of subcontracting	C. Other direct costs	D. Indirect costs <sup>2</sup>	Total costs	Income generated by the action	Financial contributions given by third parties to the partner	Total receipts	Reimbursement rate % <sup>3</sup>	Maximum EU contribution <sup>4</sup>	Requested EU contribution <sup>3</sup>
	A.1 Employees A.2 Natural persons under direct contract and seconded persons		C.1 Travel C.2 Equipment C.3 Other goods and services								
Cost form <sup>4</sup>	Actual	Actual	Actual	Flat-rate <sup>5</sup> 7%							
	a	b	c	d = 0,07 * (a + b + c)	e = a + b + c + d	f	g	h = f + g	i	j	k
[short name partner/affiliated entity]											

**The partner/affiliated entity hereby confirms that:**  
 The information provided is complete, reliable and true.  
 The costs declared are eligible (see Article 5 SGA).  
 The costs can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations (see Articles 17, 18 and 22 FPA).  
 That all the receipts have been declared (see Article 11 SGA).

① Please declare all eligible costs, even if they exceed the amounts indicated in the estimated budget (see Annex 2). Only amounts that were declared in your individual financial statements can be taken into account later on, in order to replace other costs that are found to be ineligible.

<sup>1</sup> See Article 5 SGA for the eligibility conditions

<sup>2</sup> The indirect costs claimed must be free of any amounts covered by an operating grant (received under any EU or Euratom funding programme); see Article 5.2.D and 5.4 SGA. If you have received an operating grant during the reporting period, you cannot claim any indirect costs

<sup>3</sup> The reimbursement rate in Article 4.2 SGA applies.

<sup>4</sup> See Article 4.2 SGA for the cost forms

<sup>5</sup> Flat rate : 7% of eligible direct costs

## ANNEX 4

### MODEL FOR THE CERTIFICATE ON THE FINANCIAL STATEMENT (CFS)

This document sets out:

- the objectives and scope of the independent report of factual findings on costs declared under a EU framework partnership and specific grant agreement financed under the Health Programme (2014-2020) or Consumer Programme (2014-2020) and
- a model for the certificate on the financial statement (CFS).

#### 1. Background and subject matter

*[OPTION 1 for actions with one RP and NO interim payments:* Within 60 days after the end of the reporting period, the partner must submit to the Agency a **final report**, which should include (among other documents and unless declared not applicable in Article 11 of the Specific Agreement) a **certified financial statement** (CFS; see proposed model below) for itself and (if applicable) each affiliated entity, if:

- it requests an EU contribution of EUR 325 000 or more as reimbursement of actual costs and
- the maximum EU contribution indicated for the partner/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.]

*[OPTION 2 for actions with several RPs and interim payments:* Within 60 days of the end of each reporting period, the partner must submit to the Agency a **periodic report**, which should include (among other documents and unless declared not applicable in Article 11 of the Specific Agreement) a **certified financial statement** (CFS; see proposed model below) for itself and (if applicable) each affiliated entity, if:

- the cumulative amount of EU contribution it requests as reimbursement of actual costs is EUR 325 000 or more and
- the maximum EU contribution indicated for the partner/affiliated entity in the estimated budget (see Annex 2) as reimbursement of actual costs is EUR 750 000 or more.

The CFS must be submitted every time the cumulative amount of payments requested (i.e. including in previous financial statements) reaches the threshold (i.e. a first certificate once the cumulative amount reaches 325 000, a second certificate once it reaches 650 000, a third certificate once it reaches 975 000, etc.).

Once the threshold is reached, the CFS must cover all reporting periods for which no certificate has yet been submitted.]

The partner must provide the CFS for itself and, if applicable, for its affiliated entity(ies).

The **purpose** of the audit on which the CFS is based is to give the Agency ‘reasonable assurance’<sup>1</sup> that costs declared as eligible costs under the specific grant (and, if relevant, receipts generated in the course of the action) are being claimed by the partner in accordance with the relevant legal and financial provisions of the Specific Agreement.

The **scope** of the audit is limited to the verification of eligible costs included in the CFS. The audit must be conducted in line with point 3 below.

Certifying auditors must carry out the audits in compliance with generally accepted **audit standards** and indicate which standards they have applied. They must bear in mind that, to establish a CFS, they must carry out a compliance audit and not a normal statutory audit. The eligibility criteria in the Specific Agreement always override normal accounting practices.

The partner and the auditor are expected to address any **questions on factual data or detailed calculations** before the financial statement and the accompanying certificate are submitted. It is also recommended that the partner take into account the auditor’s preliminary comments and suggestions in order to avoid a qualified opinion or reduce the scope of the qualifications.

Since the certificate is the main source of assurance for cost claims and payments, it will be easier to consider amounts as eligible if a **non-qualified certificate** is provided.

The submission of a certificate does not affect the Agency’s right to carry out its **own assessment or audits**. Neither does the reimbursement of costs covered by a certificate preclude the Agency or the Commission, the European Anti-Fraud Office or the European Court of Auditors from carrying out checks, reviews, audits and investigations in accordance with Article 22 of the Framework Partnership Agreement.

The Agency expects the certificates to be issued by auditors according to the highest professional standards.

## 2. Auditors who may deliver a certificate

The partner is free to choose a **qualified external auditor**, including its usual external auditor, provided that:

- the external auditor is **independent** from the partner and

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<sup>1</sup> This means a high degree of confidence.



- the provisions of **Directive 2006/43/EC**<sup>2</sup> are complied with.

Independence is one of the qualities that permit the auditor to apply unbiased judgement and objective consideration to established facts to arrive at an opinion or a decision. It also means that the auditor works without direction or interference of any kind from the partner.

Auditors are considered as providing services to the partner/affiliated entity under a **purchase contract** within the meaning of Article 7 of the Specific Agreement. This means that the costs of the CFS may normally be declared as costs incurred for the action, if the cost eligibility rules set out in Articles 5 and 7.1.1 of the Specific Agreement are fulfilled (especially: best value for money and no conflict of interests; see also below eligibility of costs of other goods and services). Where the partner/affiliated entity uses its usual external auditor, it is presumed that they already have an agreement that complies with these provisions and there is no obligation to find new bids. Where the partner/affiliated entity uses an external auditor who is not their usual external auditor, it must select an auditor following the rules set out in Article 7.1.1.

**Public bodies** can choose an external auditor or a competent public officer. In the latter case, the auditor's independence is usually defined as independence from the audited partner 'in fact and in appearance'. A preliminary condition is that this officer was not involved in any way in drawing up the financial statements. Relevant national authorities establish the legal capacity of the officer to carry out audits of that specific public body. The certificate should refer to this appointment.

### **3. Audit methodology and expected results**

#### ***3.1 Verification of eligibility of the costs declared***

The auditor must conduct its verification on the basis of inquiry and analysis, (re)computation, comparison, other accuracy checks, observation, inspection of records and documents and by interviewing the partner (and the persons working for it).

The auditor must examine the following documentation:

- the Framework Partnership and the Specific Agreement and any amendments to it;
- the periodical and/or final report(s);
- *for personnel costs*
  - salary slips;
  - time sheets;
  - contracts of employment;
  - other documents (e.g. personnel accounts, social security legislation, invoices, receipts, etc.);
  - proofs of payment;

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<sup>2</sup> Directive [2006/43/EC](#) of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts or similar national regulations (OJ L 157, 9.6.2006, p. 87).

- *for subcontracting*
  - the call for tender;
  - tenders (if applicable);
  - justification for the choice of subcontractor;
  - contracts with subcontractors;
  - invoices;
  - declarations by the partner;
  - proofs of payment;
  - other documents: e.g. national rules on public tendering if applicable, EU Directives, etc.;
- *for travel and subsistence costs*
  - the partner's internal rules on travel;
  - transport invoices and tickets (if applicable);
  - declarations by the partner;
  - other documents (proofs of attendance such as minutes of meetings, reports, etc.);
  - proofs of payment;
- *for equipment costs*
  - invoices;
  - delivery slips / certificates of first use;
  - proofs of payment;
  - depreciation method of calculation;
- *for costs of other goods and services*
  - invoices;
  - proofs of payment; and
  - other relevant accounting documents.

### ***General eligibility rules***

The auditor must verify that the costs declared comply with the general eligibility rules set out in Article 5.1 of the Specific Agreement.

In particular, the costs must:

- be actually incurred;
- be linked to the subject of the Specific Agreement and indicated in the partner's estimated budget (i.e. the latest version of Annex 2);
- be necessary to implement the specific action which is the subject of the grant;
- be reasonable and justified, and comply with the requirements of sound financial management, in particular as regards economy and efficiency;<sup>3</sup>
- have been incurred during the specific action, as defined in Article 3 of the Specific Agreement (with the exception of the invoice for the audit certificate and costs relating to the submission of the final report);
- not be covered by another EU or Euratom grant (see below ineligible costs);

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<sup>3</sup> To be assessed in particular on the basis of the procurement and selection procedures for service providers.

- be identifiable, verifiable and, in particular, recorded in the partner's accounting records and determined according to the applicable accounting standards of the country where it is established and its usual cost-accounting practices;
- comply with the requirements of applicable national laws on taxes, labour and social security;
- be in accordance with the provisions of the Specific Agreement (see, in particular, Articles 5 and 7-9a) and
- have been converted to euro at the rate laid down in Article 11.6 of the Specific Agreement:
  - for partners with accounts established in a currency other than the euro:

Costs incurred in another currency must be converted into euros at the average of the daily exchange rates published in the C series of the [EU Official Journal](#) determined over the corresponding reporting period.

If no daily euro exchange rate is published in the EU Official Journal for the currency in question, the rate used must be the average of the monthly accounting rate established by the Commission and published on its [website](#);
  - for partners with accounts established in euro:

Costs incurred in another currency should be converted into euros applying the partner's usual accounting practice.

The auditor must verify whether expenditure includes **VAT** and, if so, verify that the partner:

- cannot recover the VAT (this must be supported by a statement from the competent body) and
- is not a public body acting as a public authority.

The auditor should base his/her audit approach on the **confidence level** following a review of the partner's internal control system. When using sampling, the auditor should indicate and justify the sampling size.

### *Specific eligibility rules*

In addition, the auditor must verify that the costs declared comply with the specific cost eligibility rules set out in Article 5.2 and Articles 7.1.1, 8.1.1, 9.1.1, 9a.1.1 and 9a.2.1 of the Specific Agreement.

### *Personnel costs*

The auditor must verify that:

- personnel costs have been charged and paid in respect of the actual time devoted by the partner's personnel to implementing the specific action (justified on the basis of time sheets or other relevant time-recording system);
- personnel costs were calculated on the basis of annual gross salary, wages or fees (plus obligatory social charges, but excluding any other costs) specified in an employment or other type of contract, not exceeding the average rates corresponding to the partner's usual policy on remuneration;

- the work was carried out during the period of implementation of the specific action, as defined in Article 3 the Specific Agreement and
- the personnel costs are not covered by another EU or Euratom grant (see below ineligible costs);
- for additional remunerations: the 2 conditions set out in Article 5.2.A.1 of the Specific Agreement are met (i.e. that it is part of the partner's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required and that the criteria used to calculate the supplementary payments are objective and generally applied by the partner, regardless of the source of funding used);
- for in-house consultants: the 3 conditions set out in Article 5.2.A.1 of the Specific Agreement are met (i.e. that the in-house consultant works under the partner's instructions, that the result of the work carried out belongs to the partner, and that the costs are not significantly different from those for personnel performing similar tasks under an employment contract).

The auditor should have assurance that the management and accounting system ensures proper allocation of the personnel costs to various activities carried out by the partner and funded by various donors.

#### *Subcontracting costs*

The auditor must verify that:

- the subcontracting complies with best value for money (or lowest price) and that there was no conflict of interests;
- the subcontracting was necessary to implement the specific action for which the grant is requested;
- the subcontracting was provided for in Annex 1 and Annex 2 or agreed to by the Agency at a later stage;
- the subcontracting is supported by accounting documents in accordance with national accounting law;
- public bodies have complied with the national rules on public procurement.

#### *Travel and subsistence costs*

The auditor must verify that travel and subsistence costs:

- have been charged and paid in accordance with the partner's internal rules or usual practices;
- are not covered by another EU or Euratom grant (see below ineligible costs);
- were incurred for travels linked to action tasks set out in Annex 1 of the Specific Agreement.

#### *Equipment costs*

The auditor must verify that:

- the equipment is purchased, rented or leased at normal market prices;
- public bodies have complied with the national rules on public procurement;

- the equipment is written off, depreciation has been calculated according to the tax and accounting rules applicable to the partner and only the portion of the depreciation corresponding to the duration of the action has been declared and
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

#### *Costs of other goods and services*

The auditor must verify that:

- the purchase complies with best value for money (or lowest price) and that there was no conflict of interests;
- public bodies have complied with the national rules on public procurement;
- the costs are not covered by another EU or Euratom grant (see below ineligible costs).

#### *Ineligible costs*

The auditor must verify that the partner has not declared any costs that are ineligible under Article 5.4 of the Specific Agreement:

- costs relating to return on capital;
- debt and debt service charges;
- provisions for future losses or debts;
- interest owed;
- doubtful debts;
- currency exchange losses;
- bank costs charged by the partner's bank for transfers from the Agency;
- excessive or reckless expenditure;
- deductible VAT;
- VAT incurred by a public body acting as a public authority;
- costs incurred during suspension of the implementation of the action;
- in-kind contributions from third parties;
- costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the partner is already receiving an operating grant financed by the EU or Euratom budget in the same period;
- costs incurred for permanent staff of a national administration for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
- costs incurred for staff or representatives of EU institutions, bodies or agencies.

### **3.2 Verification of receipts**

The auditor must verify that the partner has declared receipts within the meaning of Article 10.3.3 of the Framework Partnership Agreement, i.e.:

- income generated by the specific action (e.g. from the sale of products, services and publications, conference fees) and

- financial contributions given by third parties, specifically to be used for costs that are eligible under the specific action.

### ***3.3 Verification of the partner's accounting system***

The auditor must verify that:

- the accounting system (analytical or other suitable internal system) makes it possible to identify **sources of financing** for the specific action and related expenses incurred during the contractual period and
- expenses/income under the specific grant have been recorded systematically using a numbering system that **distinguishes** them from expenses/income for other projects.

## Certificate on the financial statement (CFS)

To

[Partner/affiliated entity's full name  
address]

We, [full name of the audit firm/organisation], established in [full address/city/country], represented for signature of this audit certificate by [name and function of an authorised representative],

hereby certify

that:

1. We have **conducted an audit** relating to the costs declared in the financial statement of [name of partner/affiliated entity] (the [partner's]/[affiliated entity's]), to which this audit certificate is attached and which is to be presented to the Consumers, Health, Agriculture and Food Executive Agency under Grant Agreement (CHAFEA) No [insert number] — [insert acronym], covering costs for the following reporting period(s): [insert reporting period(s)].
2. We confirm that our audit was **carried out in accordance with generally accepted auditing standards** in compliance with ethical rules and on the basis of the provisions of the **Framework Partnership Agreement** and **Specific Agreement** and its Annexes (and in particular the audit methodology described in Annex 4 to the Specific Agreement).
3. The financial statement was examined and all necessary tests of [all]/[X]% of the supporting documentation and accounting records were carried out in order to obtain **reasonable assurance that**, in our opinion and on the basis of our audit
  - total **costs** of EUR [insert number] ([insert amount in words]) are eligible, i.e.:
    - actual;
    - determined in accordance with the [partner's]/[affiliated entity's] accounting principles;
    - incurred during the period referred to in Article 3 of the Specific Agreement;
    - recorded in the [partner's]/[affiliated entity's] accounts (at the date of this audit certificate);
    - comply with the specific eligibility rules in Article 5.2 of the Specific Agreement;
    - do not contain costs that are ineligible under Article 5.4 of the Specific Agreement, in particular:
      - costs relating to return on capital;
      - debt and debt service charges;
      - provisions for future losses or debts;

- interest owed;
  - doubtful debts;
  - currency exchange losses;
  - bank costs charged by the [partner's]/[affiliated entity's] bank for transfers from the Agency;
  - excessive or reckless expenditure;
  - deductible VAT;
  - VAT incurred by a public body acting as a public authority;
  - costs incurred during suspension of the implementation of the action;
  - in-kind contributions provided by third parties;
  - costs declared under other EU or Euratom grants (including those awarded by a Member State and financed by the EU or Euratom budget or awarded by bodies other than the Agency for the purpose of implementing the EU or Euratom budget); in particular, indirect costs if the [partner]/[affiliated entity] is already receiving an operating grant financed by the EU or Euratom budget in the same period;
  - costs incurred for permanent staff of a national administration, for activities that are part of its normal activities (i.e. not undertaken only because of the grant);
  - costs incurred for staff or representatives of EU institutions, bodies or agencies;
  - [are claimed according to the euro conversion rate referred to in Article 11.6 of the Specific Agreement;]
- total **receipts** of **EUR [insert number]** ([insert amount in words]) have been declared under Article 10.3.3 of the Framework Partnership Agreement and
  - the [partner's]/[affiliated entity's] **accounting procedures** are in compliance with the accounting rules of the state in which it is established and permit direct reconciliation of the costs incurred for the implementation of the action covered by the EU grant with the overall statement of accounts relating to its overall activity.

[However, our audit opinion is **qualified** for:

- costs of EUR [insert number]
- receipts of EUR [insert number]

which in our opinion do not comply with the applicable rules.]

4. We are qualified/authorised to deliver this audit certificate [(for additional information, see appendix to this certificate)].
5. The [partner]/[affiliated entity] paid a **price** of EUR [insert number] (including VAT of EUR [insert number]) for this audit certificate. **OPTION 1:** These costs are



Specific Agreement number: [insert number] [insert acronym] [insert call identifier]

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eligible (i.e. incurred within 60 days of the end of the action referred to in Article 3 of the Specific Agreement) and included in the financial statement. **OPTION 2:** These costs were not included in the financial statement.]

Date, signature and stamp