

FINANCIAL GUIDELINES FOR APPLICANTS

Call/VP/2018/010

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

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

MAIN FINANCIAL AND MANAGEMENT RULES

Disclaimer: this document provides the applicants with a quick summary of the main legal and financial rules contained in the Financial Regulation applicable to the general budget of the European Communities (FR)¹ and its Rules of Application (RAP)². Completed where relevant with provisions of Regulation (EU) 1303/2013³, regulation (EU) 2015/2195⁴ and regulation (EU) 1304/2013⁵. The information given is not exhaustive and applicants are therefore asked to carefully read the call for proposals, the model grant agreement published with this call and, in case of selection, the grant agreement sent to them, as it will constitute the legal basis for the grant.

1 GENERAL PRINCIPLES

Grants are subject to the principles laid down in the Financial Regulation, in particular the principles of co-financing, prohibition of double financing and non-profit.

Co-financing principle

European Union grants may not finance the entire cost of the action to be subsidised. Co-financing may be provided either by means of the applicants' own financial contribution or in the form of public or private contributions obtained from other donors⁶.

No double financing rule

Each action may give rise to the award of only one grant, there can be no duplicate European Union funding of the same expenditure. The applicant must indicate the sources and amounts of any other funding received or applied for in the same financial year for the same action or for any other action and for routine activities (running costs)⁷.

¹ Regulation (EU, Euratom) of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union n° 966 /2012 of 25.10.2012 (OJ L 298, 26.10.2012), as amended by Regulations (EU, Euratom) No 547/2014 of 29/05/2014 and No 2015/1929 of 30/10/2015

² Commission Delegated Regulation (EU) n° 1268/2012 of 29.10.2012, (OJ L 362, 31.12.2012) on the rules of application of Regulation (EU, Euratom) n°966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union as amended by Delegated Regulation (EU) No 2015/2462 of 29/12/2015

³ Official journal L347/374 of the 20/12/2013 Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

⁴ Official Journal L313/22 of the 28/11/2015 Commission Delegated Regulation on supplementing Regulation (EU) No 1304/2013 of the European Parliament and of the Council on the European Social Fund, regarding the definition of standard scales of unit costs and lump sums for reimbursement of expenditure by the Commission to Member States

⁵ Official Journal L347/470 of the 20/12/2013

⁶ Art. 125(3) FR and 183 RAP

⁷ Art. 129 FR and 193 RAP

No-profit rule

The EU grant may not have the purpose or effect of producing a profit for the beneficiary.

2 DEFINITIONS

Applicant/s - Beneficiary/ies:

The designation "applicants" refers to the organisations which submit a project proposal; "beneficiaries" are entities which sign the grant agreement with the Commission. They are actively involved in the implementation of the action and are financially engaged, be it by engaging staff or other costs or by providing a direct financial contribution.

The text of the call will specify, *inter alia*, the eligibility criteria for applicants, if proposals can be submitted by a single applicant (if selected, a "*mono-beneficiary agreement*" will be signed) or by a group of several applicants (consortium) (if selected, a "*multi-beneficiary agreement*" will be signed). The grant agreement model(s) is(are) published with the text of the call and provides details on the specific obligations of the beneficiary or, in the case of a consortium, of the coordinator and the co-beneficiaries.

Where proposals are submitted by several applicants, one applicant must assume the role of lead-applicant and is called the "*coordinator*". The other organisations involved in the application are called "*co-applicants*". The coordinator is responsible for submitting the proposal and signing the grant agreement after having received all the required powers of attorney from co-applicants⁸. Since co-beneficiaries will share the financial responsibility, the financial capacity of each co-applicant will be assessed against its share in the action's budget.

The grant agreement will detail the specific obligations of the beneficiary and, where appropriate, of the coordinator and the co-beneficiaries.

For projects led by a consortium, the lead applicant and co-applicants shall agree – preferably in writing – upon appropriate internal arrangements, consistent with the provisions of the grant agreement, for the proper implementation of the action.

Hereafter in this document, reference to the applicant or to the beneficiary is understood to include co-applicants where applications are submitted by a group of applicants and co-beneficiaries in the case of multi-beneficiary grant agreements.

Affiliated entities⁹

Affiliated entities are legal entities which have a specific relationship with a beneficiary. On that basis, they may incur eligible costs for the action covered by the grant under certain conditions, i.e.: they are legal entities satisfying the eligibility criteria of the particular call and non-exclusion criteria and having a link with a beneficiary, notably a legal or capital link, which is neither limited to the action nor established for the sole purpose of its implementation¹⁰. This link must be proven by supporting documents such as the statutory list of members included in reports approved by governing bodies, the list of controlled companies in audited consolidated accounts, the balance sheet or the deeds of establishment

⁸ Please refer to the grant agreement model for more information on the responsibilities of the coordinator and other beneficiaries

⁹ Art.122FR, 199 RAP

¹⁰ Examples: member organisations of European social partner organisations, branches of international NGOs.

proving ownership or partnership. Contrary to co-beneficiaries, affiliated entities are not signatories to the Grant Agreement and are, therefore, not financially liable in case of recovery of funds. The beneficiary to which they are linked is financially liable for them. Consequently, the Commission does not test the financial capacity of affiliated entities at time of application.

The call document published for each call for proposals will indicate whether affiliated entities may take part in that particular call or not.

Associate organisations

Other organisations may only participate in the action as associate organisations where this serves the aim of the action, on a no-cost basis. These organisations will not be a party of the grant agreement concluded with the Commission.

Third parties (other donors)

Other entities outside beneficiaries, affiliated entities and associate organisations are considered as third parties. Third parties can provide a financial contribution to the implementation of the action if these are specifically assigned by the third party to the financing of the eligible reimbursable costs of the action. Such third parties are not involved in the implementation of the action.

3 RULES RELATED TO THE REQUESTED GRANTS

- The rules on co-financing rates can be found in the text of the call for proposals.
- The grant may not cover ineligible costs.
- Contributions in kind (i.e. contributions for which no financial flow can be traced in the written accounts like unpaid charity work by a private individual or corporate body, etc.) cannot be accepted.
- Where applicable according to the text of the call for proposals:
 - Co-applicants must provide a letter of mandate, authorising the coordinator to submit the proposal and, if the proposal is accepted for funding, to sign the grant agreement with the Commission on its behalf. In addition to the information provided in the application form, co-applicants must also provide a signed letter of commitment explaining the nature of their involvement in the implementation of the action – the way they are financially engaged should be detailed in the project budget.
 - Affiliated entities must provide a signed letter of commitment, explaining the nature of their involvement in the implementation of the action. They must also provide a document demonstrating their legal or capital link with the parent organisation (lead applicant or co-applicant). No letter of mandate is required.
 - Associate organisations must provide a signed letter of commitment, explaining the nature of their involvement in the action or any other type of support to it. No letter of mandate is required.
 - Third parties (i.e. other donors) that only make a cash contribution to the action should provide a signed letter of commitment stating the amount of their contribution.

- Financial support to third parties (i.e. cascading grants)¹¹: If the implementation of the action requires financial support to be given to third parties, the call can authorise the beneficiary to do so, provided the amount does not exceed EUR 60 000 per third party unless the financial support is the primary aim of the action, and on condition that the types of activity that may receive such support, the criteria for determining the exact amount of the financial support, the categories of persons which may receive financial support and the criteria for giving the financial support are clearly defined in the description of the action. The text of the call will specify if financial support to third parties is accepted.
- The beneficiary shall be responsible for carrying out the action in accordance with the terms and conditions of the grant agreement.
- An external audit report of the previous accounts of the applicant organisation/s, produced by an approved external auditor, must be provided for action grant applications where the grant request exceeds EUR 750.000. In the case of applications by a consortium this threshold shall apply to each co-applicant.

For further information on audit reports, see section 13 – Checks and audits

- The partial or total withholding by the applicant/s of any information or any misrepresentation of information that may have an impact on the Commission's final decision concerning the application could entail the disqualification of the application or, if discovered after signature of any Grant Agreement, will entitle the Commission to impose financial penalties and administrative sanctions¹².

4 THE ESTIMATED BUDGET OF THE ACTION

4.1 The budget must be detailed and balanced

Grant applications must include a detailed estimated budget presented in Euros (see application form). Applicants established in countries outside the Euro zone must use the conversion rates published in the C series of the Official Journal of the European Union (OJ) available at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>).

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion must be made at the average of the monthly accounting rates established by the Commission and published on its website (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm).

Applicants should be aware that they fully carry the exchange rate risk.

The budget estimate must be properly balanced: the two totals (income and expenditure) must be the same, since the available income (including the grant requested from the Commission) will have to finance the planned expenditure¹³. Please make sure that all the items related to the implementation of the action are included and not just those for which financing is being sought.

¹¹ Art. 137 FR, 210 RAP

¹² Art. 106 FR

¹³ Art. 196(2) RAP

4.2 Method to determine the unit costs and lump sums

Payments to the beneficiaries are solely based on outputs and/or results. The respective unit costs or lump sums are calculated based on information provided by the applicant and assessed by the Commission during the evaluation process.

The proposal from the beneficiary will set out all the activities envisaged. These activities will be accompanied by expected outputs and/or results with targets and milestones (if applicable). Each expected output or result should have a corresponding estimated amount, based on either unit costs or lump sums. The estimated amounts used to calculate unit costs or lump sums based on outputs may be established as follows:

4.2.1 Establishing the value of estimated costs

For the purpose of defining the **estimated staff costs** the following **conditions** must be satisfied:

4.2.1.1 Direct staff costs

These costs correspond to the sum of the basic salary, other statutory costs, social security contributions and taxes on wages as well as pension contributions.

Other statutory costs

These costs cover additional pays in form of statutory benefits linked to specific functions, responsibilities and/or conditions, as well as specific salary components that are not paid on a monthly basis (e.g. Christmas or holiday allowances, additional month's pay at the end of the year, etc.). Due to the diversity of national legislative conditions for remunerating personnel, it is not possible to give an exhaustive list of eligible cost components. In principle these costs can be included where they are in line with the beneficiary's usual policy on remuneration and in compliance with national legislation.

However, non statutory, non-mandatory and discretionary premiums or bonuses are not eligible.

Social security contributions and taxes on wages

These costs cover the employer's social contributions such as insurance contributions, payments for healthcare, labour disability, unemployment and taxes on wages.

Pension contributions

These costs cover the employer's pension contributions, including those for early retirement, but excluding provisions paid to pension funds, reserves, etc.

Direct **staff costs** shall be calculated by using one of the methods below:

- ✓ statistical data or similar objective means;
- ✓ certified or auditable historical data of the applicant;
- ✓ the usual cost accounting practices of the applicant;

Being calculated on the basis of statistical data or similar objective means the following unit costs, flat rates or lump sums can also be used to establish the value of direct staff costs for the purposes of the pilot JAPs:

- ✓ Existing unit costs or lump sums in Commission Delegated Regulation 2015/2195 (as amended) for similar operations;
- ✓ Scales of unit costs, flat rates and lump sums applicable in Union policies for a similar type of operation and beneficiary.

Where the staff costs are calculated by reference to the **usual cost accounting practices** of the applicant, the Commission may accept the estimated value of such costs provided the following conditions are fulfilled:

- (i) the cost accounting practices used constitute the applicant's usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;
- (ii) the estimated costs can be directly reconciled with the amounts recorded in the applicant's general accounts;
- (iii) the categories of costs used for the purpose of determining the estimated costs are exclusive of any ineligible cost or costs covered elsewhere;
- (iv) Any hourly, daily or half-daily rate is calculated using the number of annual productive units (respectively productive hours, days or half-days). For that purpose the applicant may apply the standard number of annual hours or days or half-days generally applied for its staff in accordance with its usual cost accounting practices. This number must be at least 90% of the standard annual workable hours or days or half-days.

The annual workable hours or days or half-days mean the period during which the staff must be working, at the applicant's disposal and carrying out his/her activity or duties under the employment contract, applicable collective labour agreement or national working time legislation.

4.2.1.2 *The value of other costs (indirect costs) and other direct costs*

Such as rent, accommodation, meals, publicity, travel, and participants' allowances may be calculated as a flat rate of 40 % of the direct staff costs estimated according to point 4.2.1.1. Application of this flat rate is justified by the purpose of the pilot JAP, the fact that the types of activities (referred to in point 2.2. of the call) are similar to those financed under Regulation (EU) 1304/2013 and the fact that the mentioned flat rate has been considered to provide an adequate compensation for these type of operations under shared management. Therefore, the flat rate of 40 % authorised by Article 14(2) of Regulation No 1304/2013 can be reasonably applied as regards this action.

4.2.2 Indirect costs.

Are those which cannot be directly connected to an individual activity that is part of the project. These include administrative expenses for which it is difficult to determine precisely the amount attributable to a specific activity (such as management costs, recruitment expenses, costs for the accountant or cleaner, telephone, water or electricity, etc).

Indirect cost could also include categories such as staff cost, rent or publicity where these categories cannot be directly attributed to the project.

4.3 Establishing the total cost baseline value of the action

The total cost baseline value of the action will be established on the basis of the estimated budget taking into account:

- (i) the methods of calculation provided for in points 4.2.
- (ii) another method proposed by the applicant provided such a method ensures compliance with the principles of co-financing, no profit and no double financing, and is based on any of the means indicated in Article 124(2)(c)(i) or (ii) of Regulation (EU, Euratom) No 966/2012; For the purposes of point (ii) applicants may use in order to calculate indirect costs flat rates authorised by Article 68(1) of Regulation (EU) No. 1303/2013 provided the conditions set out in that article are satisfied.

Indirect costs may only take the form of flat rates.

4.4 Defining unit costs or lump sums based on outputs/results

The total costs baseline value referred to in point 4.2.1 will serve as a basis for defining unit costs or lump sums which payment is triggered by outputs or results.

Example: the value of such unit costs may be obtained by dividing the total cost baseline value by the number of participants expected to successfully complete a training (output indicator) or engage in employment following a training and individual coaching (result indicator).

The Commission will assess the expected outputs and/or results and the resulting unit costs or lump sum, and will define the final amount due applying the maximum co-financing rate indicated in the Grant agreement to the lump sum and unit costs declared by the beneficiary. The resulting amount will be capped to the maximum of EU contribution indicated in the grant agreement.

Contributions based on lump sum and unit costs, will be paid in full provided the corresponding part of the action is implemented properly (with the required quality, fully and on time). If the corresponding part of the action is not properly implemented the amount of the grant will be reduced proportionately

The fulfilment of the above conditions triggering the payment of the lump sum and unit costs will be checked at the latest before the payment of the balance. In addition, the fulfilment of those conditions may be subject to ex post controls.

The beneficiary will not be required to report on the costs actually incurred for the implementation. This does not affect the possibility to reduce the grant as specified above.

Payment of the grant on the basis of lump sums or unit costs does not affect the right of access to the statutory records of the beneficiaries for the purposes of:

- ✓ Reviewing them for future grants or
- ✓ Protection of the Union financial interests, e.g. detection of fraud, irregularities or breach of obligations.

4.5 Income

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

- The beneficiary's contribution: the direct monetary contribution from the applicant's own resources (i.e. an effective expenditure for which a financial flow can be traced in the accounts);
 - Any financial contributions given by third parties to a beneficiary or to an affiliated entity, if they are specifically assigned by the third parties to the financing of the eligible costs of the *action* reimbursed by the Commission in accordance with Article I.3.2(a)(i) of the grant agreement.
- NB.: The following are not considered receipts:
- (a) financial contributions by third parties, if they may be used to cover costs other than the eligible costs under the Agreement;
 - (b) financial contributions by third parties with no obligation to repay any amount unused at the end of the implementation period;
- The revenue generated by the action: any income expected to be generated by the implementation of the action should be detailed (such as the yield from sales of publications or conference registration fees).
 - The EU grant: the grant requested from the Commission.

5 AGREEMENT GOVERNING THE GRANT

Should the Commission award a grant, a grant agreement setting out the conditions and maximum level of funding will be concluded with the beneficiary. A multi-beneficiary grant agreement will be signed in the case of proposals submitted by a consortium. The agreement will detail the specific obligations of the coordinator and the other beneficiaries.

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

6 PAYMENT PROCEDURES

Payments will be made to the beneficiary or to the beneficiary acting as co-ordinator in the case of proposals submitted by a consortium.

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

Payment of the grant will be made in pre-financing instalments and a final payment (the balance). The aim of the pre-financing is to provide the beneficiaries with a float. The pre-financing remains the property of the Union until the payment of the balance. The frequency and size of pre-financing and balance payment will in principle be as described hereafter but may be adjusted according to the risk assessment of the responsible authorising officer.

- **For actions of 12 months or less**, one pre-financing payment and a final payment will be made as follows :

- A pre-financing payment of 70% of the grant within 30 calendar days from the entry into force of the grant agreement. In the case a guarantee is required, the pre-financing payment will be subject to the receipt of the guarantee.

- The balance will be paid within 90 calendar days from receipt by and subject to the approval of the Commission of the request for payment of the balance, the final technical implementation report and final financial statement (and, if required, a certificate on the financial statements and underlying accounts). If the total amount of earlier payments is greater than the final amount of the grant, the payment of the balance will take the form of a recovery.

- **For actions over 12 months up to 24 months**, two pre-financing instalments linked to one reporting period and a final payment will be made as follows:

- A first pre-financing payment of 40% of the grant within 30 calendar days from the entry into force of the grant agreement. In the case a guarantee is required, the pre-financing payment will be subject to the receipt of the guarantee.

- A second pre-financing payment of 40% within 60 calendar days from receipt by the Commission of a request for payment, a progress report on implementation of the action specifying the outputs and/or results achieved so far. The request for payment must be submitted within 60 calendar days following the end of the reporting period in question. Where the consumption of the previous pre-financing is less than 70%, the amount of the new-pre-financing payment shall be reduced by the unused amounts of the previous pre-financing payment¹⁴. If a guarantee is required, the pre-financing payment will be subject to the receipt of the guarantee.

- The balance will be paid within 90 calendar days from receipt by and subject to the approval of the Commission of the request for payment of the balance, the final technical implementation report and final financial statement (and, if required, a certificate on the financial statements and underlying accounts). If the total amount of earlier payments is greater than the final amount of the grant, the payment of the balance will take the form of a recovery.

For actions with duration of up to 18 months, the reporting period shall be 9 months. For actions of more than 18 months and up to 24 months, the reporting period shall be 12 months.

7 GUARANTEE¹⁵

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

The decision to request of bank guarantee is only possible for grants of more than EUR 60 000, and is to be taken by the responsible authorising officer, if he/she deems it appropriate and proportionate, on a case-by-case basis and subject to a risk analysis.

¹⁴ Art. 207(1) RAP

¹⁵ Art.134 FR and 206 RAP

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

The guarantee shall remain in force until the pre-financing is cleared against payment of the balance by the Commission, and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified to the beneficiary. The Commission shall release the guarantee within the following month.

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

8 BANK ACCOUNT AND INTEREST GENERATED BY PRE-FINANCING PAYMENTS¹⁶

Payment shall be made to the beneficiary's bank account or sub-account denominated in Euro (in the case of a consortium to the bank account of the beneficiary acting as coordinator).

Interest yielded by the pre-financing payments is not compulsory nor must it be reimbursed to the EU budget.

9 SUBMISSION OF FINAL REPORTS AND OTHER DOCUMENTS

Within 60 days after the closing date of the action, the beneficiary must submit to the Commission the final report on implementation of the action as well as a financial statement. Both reports must be submitted on-line via SWIM as well as in paper version (see section 13). The final implementation report must be completed using the template announced in the call that will also be annexed to the grant agreement. The summary financial statement referred to in the grant agreement is already included in the templates available on-line via SWIM.

If the beneficiary fails to submit the request for payment of the balance accompanied by the above mentioned documents within the above deadline, the Commission shall send a written reminder. If the beneficiary still fails to submit them within 60 days following the reminder, the Commission reserves the right to terminate the agreement.

Should the final report be deemed to be inadequate or of low quality, the Commission reserves the right to request additional information suspending the time limit for payment specified in the grant agreement. When the suspension exceeds two months, the beneficiary may request a decision by the Commission on whether the suspension is to be continued.

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

10 PUBLICITY

¹⁶ Art. 8(4) FR, Art. 2RAP

All grant beneficiaries are required to clearly mention the fact that they have received funding from the European Union in any publication, in other information or promotional materials, and during activities (conferences or seminars, etc.), for which the grant is used, using the following wording: "**With financial support from the European Union**". The emblem of the European Union, given at the following web address: http://ec.europa.eu/dgs/communication/services/visual_identity/index_en.htm should also be visible. When displayed in association with another logo, the European emblem must have appropriate prominence.

Any communication or publication by the beneficiary/ies related to the action, in any form and using any means, including the Internet, shall indicate that it reflects only the author's view and that the Commission is not responsible for any use that may be made of the information it contains.

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

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

By signing the grant agreement for an action, the beneficiary/ies authorise/s the Commission to publish the following information in any form and medium, including via the Internet site of the EU¹⁷:

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

With a view to disseminating all results obtained and outputs delivered under the grant agreement, the Executive Summary sent with the Implementation Report will be posted on the website of the Directorate-General for Employment, Social Affairs and Inclusion.

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

11 EVALUATION

If the proposal should include a specific evaluation component for ongoing monitoring and final evaluation of the action, these costs may be considered eligible in the budget estimate.

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

¹⁷ Art. 128(3) FR, 191(1) RAP

12 CHECKS AND AUDITS

An external audit report is required in the following cases:

12.1 Audit report in support of grant applications¹⁸.

Where the application concerns grants for an action for which the amount exceeds EUR 750 000 an audit report produced by an approved external auditor shall be submitted. This report should certify the accounts of the applicant organisation for the last financial year available. This requirement applies only to the first application made by an applicant to the same authorising officer responsible in any one financial year.

In the case of proposals submitted by a consortium, the threshold mentioned in the first paragraph shall apply to each of the applicants.

In case of calls for framework partnership agreements, the audit report, covering the last two financial years available must be produced before the framework agreement is concluded.

This obligation shall not apply to public bodies or international organisations.

The authorising officer responsible may, depending on a risk assessment, waive the obligation of audit for education and training establishments and in case of agreements with a number of beneficiaries, beneficiaries who have accepted joint and several liabilities or who do not bear any financial responsibility.

12.2 Audit report in support of requests for payment¹⁹

An audit report (certificate on the achieved outputs and/or results) produced by an approved external auditor or in case of public bodies, by a competent and independent public officer may be required by the authorising officer in support of any payment, on the basis of his assessment of risks. The certificate shall be attached to the payment request.

It is compulsory for payments of balances in the case of a grant for an action of EUR 750 000 or more, when the cumulative amounts of payment requests is at least EUR 325 000.

In case of an agreement between the Commission and a number of beneficiaries, the thresholds shall apply to each beneficiary.

The purpose of the audit report is to certify, in accordance with a methodology approved by the authorising officer responsible and on the basis of agreed-upon procedures that the claimed lump sums and/or unit costs correspond to the ones stipulated in the grant agreement and that the reported outputs and/or results are actually achieved within the implementation period.

The authorising officer responsible may request the certificate in the form of an opinion or other format in accordance with international standards.

¹⁸ Art. 196(3) RAP

¹⁹ Art. 207(3) RAP

The obligation to provide such a certification of the financial statements and underlying accounts may be waived based on a risk assessment:

- in the case of grant beneficiaries which are public bodies or international organisations
- in the case of beneficiaries of multiple grants who have provided independent certification offering equivalent guarantees on the control systems and methodology used to prepare their claims.
- where an audit has been or will be directly done by the Commission's own staff or by a body authorised to do so on its behalf and which provides equivalent assurances about the validity and legality of declared payment requests.

In any case, the beneficiary himself shall certify on his honour that the information contained in requests for payments is full, reliable and true.

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

13 PROCEDURE: ELECTRONIC MEANS OF SUBMISSION - SWIM

The Internet Web application called "SWIM" (Subventions Web Input Module) allows applicants/beneficiaries to introduce, edit, validate, submit and print grant applications, as well as requests for payments and modifications of the budget estimate. SWIM can be accessed in the following web address²⁰: <https://webgate.ec.europa.eu/swim>.

The final financial statement and the final implementation report will also be submitted via SWIM.

13.1 Introduction of grant applications

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

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

Failure to respect this procedure will render the application ineligible.

²⁰ For more technical details on using SWIM, a user's manual is available on-line

Currently the submission on-line only is not possible. However, DG EMPL is working to phase out paper submission in the future.

13.2 Requests for payments (pre-financing and balance) and budgetary modifications

In addition to the documents specified in the grant agreement, financial documents required in support of requests for further pre-financing payments (if applicable) and for payment of the balance (see section 10 - final report on the implementation of the action and the final financial statement), as well as requests for modifications of the budget estimate to be made by addendum must also be submitted electronically using SWIM, as well as by post duly signed by the legal representative.

To be allowed to log on to SWIM and to access its grant file, the beneficiary will be asked to enter the same credentials (ECAS user²¹) used to submit the grant application.

14 DATA PROTECTION

The reply to any call for proposals involves the recording and processing of personal data (such as names, addresses, CVs). Such data will be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.²² Unless indicated otherwise, the questions and any personal data requested are required to evaluate the grant application in accordance with the specification of the call for proposals and they will be processed solely for that purpose by the department responsible for the EU grant programme concerned. On request, applicants may be sent personal data to correct or complete. For any question relating to these data, please contact the Commission department to which the form must be returned. Details concerning the processing of personal data are available on the privacy statement at: http://ec.europa.eu/dataprotectionofficer/privacystatement_publicprocurement_en.pdf.

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

15 EARLY DETECTION AND EXCLUSION SYSTEM (EDES DB)

Your personal data may be registered in the Early Detection and Exclusion System (EDES) if you are in one of the situations mentioned in Article 106 of the Financial Regulation²³. For more information, see the Privacy Statement on http://ec.europa.eu/budget/library/explained/management/protecting/privacy_statement_edes_en.pdf).

²¹ European Commission Authentication Service

²² Official Journal L 8, 12.1.2001.

²³ See footnotes 1 and 2