

# ANNEX IV Eligibility Rules

#### I. GENERAL

# I.1 Basic eligibility rules

#### a) Sound financial management

Expenses need to respect general principles of sound financial management (i.e. economy, efficiency and effectiveness).

## b) Public Procurement

The beneficiary must select the most economically advantageous offer (not necessarily the cheapest), in compliance with the principles of transparency and equal treatment for potential contractors. Any conflict of interest must be avoided.

The following specific rules with regard to public procurement are applicable:

- Services with a value below 500 EUR (excl. VAT) can be paid on presentation of an invoice:
- Services with a value between 500 EUR and 5,000 EUR (excl. VAT) are subject to a procurement procedure involving at least three offers or price comparisons;
- Services with a value above 5,000 EUR (excl. VAT) are subject to a procurement procedure involving at least three offers.

Despite the above written the beneficiary remains fully responsible to comply with any additional applicable national public procurement rules.

## c) Unit costs

In order to simplify the management of projects to the highest possible degree, unit costs are used for staff costs. The potential difference between real costs and the unit costs is not considered as a receipt and does not have to be declared. The beneficiary does not need to identify the actual costs incurred. See details of requested documentation in section "II. Categories of eligible costs".

#### d) Real costs

To qualify as eligible costs, invoices (indicating the amount excluding VAT, if applicable), proof of payment regarding the invoiced amount and additional relevant documentation (see details in section II. Categories of eligible costs) must be provided. The invoice and the proof of payment must be addressed to and be paid by the beneficiary.

- e) The usual accounting and internal control procedures of the beneficiary must allow for direct reconciliation of the amounts declared with the amounts recorded in the accounting statements as well as with the amounts indicated in the supporting documents.
- f) VAT is not eligible, if it is recoverable by the beneficiary.
- **g) Financial charges** (e.g. charges for transnational financial transactions, bank charges for opening and administering the bank account(s) of the PAC) are not eligible. This also applies to debit interests and exchange rate losses, which have to be borne by the beneficiary.

## h) Profit

The generation of profit based on any PAC activity is excluded.

i) In-kind contributions are not eligible.





## I.2 Eligibility of costs

Eligible costs of the project are costs actually incurred by the beneficiary (with the exception of staff costs) which meet the following criteria:

- they are incurred in the period set out in Article I.3 and I.4.1 of the Agreement;
- they are indicated in the estimated budget set out in Annex III;
- they are incurred in connection with the project as described in Annex II and are necessary for its implementation;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary;
- they comply with the requirements of applicable tax and social legislation; and
- they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

# II. Categories of eligible costs

## II.1 General

Eligible expenses are grouped in cost categories detailed hereafter. Any direct or indirect costs which are **not included in any of cost categories defined below** (e.g. equipment, investment etc.) **are not eligible**.

# II.2 Cost categories

The following cost categories are eligible under this Agreement

- 1) Staff costs (up to max. 20,000.00 EUR);
- 2) Travel and accommodation costs;
- 3) Meeting and event costs;
- 4) Financial control/audit costs;
- 5) Costs of external experts.

For cost categories defined above the flexibility rule applies. Expenses declared for each cost category may not exceed the initially planned/budgeted amount, as specified in the budget plan pursuant to Annex III, by more than 20%, except for staff costs where no flexibility rule applies. No specific request procedure is needed. Declaration of expenses beyond the 20% flexibility rule is excluded without the approval of the DSP.





## II.2.1 Staff costs (incl. general costs / overheads)

#### II.2.1.1 Conditions

Staff costs are eligible up to a maximum amount of 20,000.00 EUR for the staff directly involved and essential for the successful implementation of the project.

Staff costs may only be declared for staff that is:

- employed (permanent or fixed-term employment contract) by the beneficiary or, in case of a public institution, by any other public institution in the country where the PAC is located; and,
- listed as staff for "Staff costs" in the budget plan pursuant to Annex III.

In case of changes of the staff, the beneficiary is obliged to notify the DSP of such changes.

For unpaid voluntary workers, no staff costs can be declared. However, travel and accommodation costs might be eligible, if they are necessary for the implementation of the PAC-activities.

Costs related to persons working on the basis of service contracts / invoices (e.g. freelancers) shall be included under the budget line "External experts" (see section II.2.5 below).

Staff members of the beneficiary are not allowed to operate as external experts for the project.

Staff costs may only be declared on the basis of the applicable standard hourly rate as defined in the table below.

The applicable rates refer to the country of employment:

Country	Standard hourly rate
	(in EUR)
Austria	47
Bosnia and	10
Herzegovina	
Bulgaria	8
Croatia	25
Czech Republic	15
Germany	46
Hungary	12
Moldova	9
Montenegro	10
Romania	14
Serbia	10



Slovakia	14
Slovenia	26
Ukraine	17



Source: Life Long Learning Programme (2013)

(Multilateral Projects, Networks, Accompanying measures)

http://eacea.ec.europa.eu//llp/funding/2013/documents/jean\_monnet\_ka1/jm\_financial\_guidelines\_llp\_guide\_part1\_2013 en.pdf

- Calculation: Table 5a, average value between categories "manager" and "researcher, teacher, trainer". Rounded (no decimals)

Except for UA and MD: Source Tempus Programme (2012)

http://eacea.ec.europa.eu/tempus/funding/2012/documents/Application%20guidelines 6th%20call EN Clean.pdf

- Calculation: Annex 3, average value between categories "manager" and "researcher". Rounded (no decimals)

The standard hourly rate is a unit cost covering all costs in relation to one working hour spent on the implementation of the PAC-activities (incl. salary, taxes, social and health charges, any general costs/overheads - office rent, heating, electricity, phone, copy services, stationary/office supply as well as any other office running cost or management cost).

The hourly rate can only be reported for productive working hours that are necessary for the implementation of the project. Non-working hours (weekends, vacation, public holidays, sick leave, maternity leave etc.) are not eligible.

The real staff and overhead costs are not checked. The potential difference between the real costs and the unit costs is not considered as a receipt and does not have to be declared.

#### II.2.1.2 Documentation and reporting

Following documentation should be available/submitted to the DSP in order to qualify the costs as eligible:

- a) Name and affiliation of the staff member;
- b) Total number of hours worked on the PAC activities for the reported period:
  - for the interim report: from the start of the project until 29 February 2016;
  - for the final report: from 1 March 2016 until 30 November 2016, with exception for time spent on the preparation of the final report until 31 December 2016.
- c) For each staff member: Completed timesheets for the reported period, including detailed description of the activities. The timesheets must be signed by the employee and its employer (legal representative or authorized signatory in relation to the project).

Timesheet template provided in Annex VII must be used.

Employment contracts of staff members must be presented to the auditor and, upon request, to the DSP.





The beneficiary as employer in each Member State and Non-Member State remains fully responsible for compliance with applicable labour laws.

#### II.2.2 Travel and accommodation costs

#### II.2.2.1 Conditions

Only costs for business trips directly related to specific and clearly identifiable PAC activities are eligible. Costs for non-staff members can either be declared under the travel and accommodation cost category or under the external experts cost category.

In general, destinations in the Danube Region and Brussels are eligible. Any other destination must be approved by the DSP in advance.

The calculation of the travel costs has to be done according to the legal framework on the eligibility of travel expenses (including hotel and daily allowance costs, if applicable) of the beneficiary.

#### II.2.2.2 Documentation and reporting

The following documentation should be made available/submitted to the DSP in order to qualify the costs as eligible:

- a) Name of travelling person and affiliation (staff member, unpaid voluntary worker or third person), country of organization;
- b) Travel data (departure and return dates, destination, etc.);
- c) Aim of the travel and justification;
- d) Calculation of travel costs by means of transportation used, payment date, and, if applicable: national currency, EUR exchange rate;
- e) Invoice and proof of payment for accommodation;
- f) Calculation of and payment of daily allowance (if applicable);
- g) If possible, evidence of the participation of the person (e.g. agenda with list of attendees, signed list of participants);
- h) Travel documents:
  - i) For train, boat, bus, taxi:
    - Invoice or equivalent (e.g. train ticket with price information);
    - Train/bus/boat ticket;
    - Justification in case of travelling with taxi (instead of traveling by public transportation):
    - Proof of payment.

Travelling by rail should not be made in 1st class.





- ii) For plane:
  - Invoice:
  - Boarding passes (either as received at the check-in counter or as file downloaded at web-check-in);
  - Proof of payment.

Traveling by plane should be made in economy class only.

- iii) For car mileage:
  - Printout of a route planner for the declared distances;
  - Justification for travelling with car (instead of traveling by train/bus/air);
  - In case of use of own car or company car, mileage calculation sheet with statement of the distance covered, the cost per unit according to national or institutional fares (up to max. 0.22 EUR/km) and total cost.

Source: Life Long Learning Programme (2013): (Multilateral Projects, Networks, Accompanying measures)
<a href="http://eacea.ec.europa.eu//llp/funding/2013/documents/jean monnet ka1/jm financial guidelines llp guide part1 2013\_en.pdf">http://eacea.ec.europa.eu//llp/funding/2013/documents/jean monnet ka1/jm financial guidelines llp guide part1 2013\_en.pdf</a>

- Travel costs, paragraph 5

## II.2.3 Meeting and event costs

# II.2.3.1 Conditions

Costs related to the organization of meetings (rental fees, catering, publication, translation and interpretation, technical equipment and services) paid on the basis of contracts with and invoices from external providers.

Public procurement rules must be respected in selecting the company or individual, which will carry out the assignment.

The beneficiary must select the most economically advantageous offer (not necessarily the cheapest), in compliance with the principles of transparency and equal treatment for potential contractors. Any conflict of interest must be avoided.

## II.2.3.2 Documentation and reporting

Following documentation should be available/submitted to the DSP in order to qualify the costs as eligible:

- a) Evidence that the most cost-efficient option has been selected and, where applicable, proof that public procurement rules have been respected;
- b) Contract laying down the services to be provided and the date of provision, with clear reference to the specific meeting/event;
- c) Detailed invoice for the service provided;
- d) Deliverables (e.g. agenda, list of participants, minutes);
- e) Proof of payment.





#### II.2.4 Financial control/Audit costs

#### II.2.4.1 Conditions

Financial control/audit costs related to the financial controls/audits foreseen in the Agreement (preparation of certificate on the financial statements and underlying accounts) are eligible.

Public procurement rules must be observed in selecting the company or individual which will carry out the audit. The costs shall be paid on the basis of the contracts and invoices from the auditor. The beneficiary must select the most economically advantageous offer (not necessarily the cheapest), in compliance with the principles of transparency and equal treatment for potential contractors. Any conflict of interest must be avoided.

In case of public bodies certificate on the financial statements and underlying accounts can be produced by a competent and independent public officer. In this case unit costs for calculation of staff cost, as defined in Point II.2.1.1 of this Annex, should be used. These costs should be included under the cost category: Financial control/Audit costs.

## 2.4.2 Documentation and reporting

The following documentation should be available/submitted to the DSP in order to qualify the costs as eligible:

- a) Evidence that the most cost-efficient option has been selected and, where applicable, proof that public procurement rules have been respected;
- b) Contract laying down the services to be provided:
- c) Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the services provided, quantification of the services, price per unit and total price;
- d) Proof of payment;
- and if applicable
- e) documentation as defined in section II.2.1.2 of this Annex in case of a competent and independent public officer.

## II.2.5 External experts

#### II.2.5.1 Conditions

External experts necessary for the project implementation should be reported based on real costs.

The management and general administration of the project cannot be sub-contracted. Furthermore, the beneficiary as well as its individual employees cannot be contracted as external experts for the purpose of this project.

The beneficiary must select the most economically advantageous offer (not necessarily the cheapest), in compliance with the principles of transparency and equal treatment for potential contractors. Any conflict of interest must be avoided.





## II.2.5.2 Documentation and reporting

The following documentation should be made available/submitted to the DSP in order to qualify the costs as eligible:

- a) Short description of services purchased (specification/justification/reference to project activity/ies);
- b) Evidence that the most cost-efficient option has been selected and, where applicable, proof that public procurement rules have been respected;
- c) Contract laying down the services to be provided;
- d) Detailed invoice, clearly stating date of the invoice, the payer, the payer, description of the services provided, quantification of the services, price per unit and total price;
- e) Declared costs (net amount excl. VAT); if applicable: national currency, EUR exchange rate;
- f) Proof of payment;
- g) Evidence of the output(s) produced (study/report/presentation etc., any other evidence material in digital form).

# III. Costs of payment transfers

Costs of the payment transfers shall be borne in the following way:

- a) costs of transfer charged by the bank of the DSP shall be borne by the DSP;
- b) costs of transfer charged by the bank of the beneficiary shall be borne by the beneficiary;
- c) all costs of repeated transfers caused by one of the parties shall be borne by the party which caused the repetition of the transfer.

# IV. Financial Support to third parties

The financial support to third parties is not allowed.

# V. Publicity Rules

Unless the DSP requests or agrees otherwise, any communication or publication related to the project, made by the beneficiary, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc.), shall indicate that the project has received funding from the European Union and shall display the logo, as defined below.

When displayed in association with another logo, the logo defined below must have appropriate prominence.





The obligation to display the logo below does not confer to the beneficiary a right of exclusive use. The beneficiary shall not appropriate the European Union emblem or any similar trademark or logo, either by registration or by any other means.

For the purposes of the first, second and third subparagraphs and under the conditions specified therein, the beneficiary is exempted from the obligation to obtain prior permission from the Commission to use the European Union emblem.

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

#### Logo:





This project is co-financed by the European Union.

# VI. Ineligible costs

In addition to any other costs which do not fulfil the conditions set out above, the following costs shall not be considered eligible:

- a) return on capital;
- b) debt and debt service charges;
- c) provisions for losses or debts;
- d) interest owed;
- e) doubtful debts;
- f) exchange losses;
- g) costs of transfers from the DSP charged by the bank of the beneficiary;
- h) costs declared by the beneficiary in the framework of another action/project receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a grant for a project awarded to the beneficiary when it already receives an operating grant financed from the Union budget during the period in question;
- i) contributions in kind from third parties;



- j) excessive or reckless expenditure;
- k) deductible VAT.



# VII. Double financing

The applicant must indicate all sources and amounts of any other funding applied for or received for the same project or the same project activities (part or whole).

In case that other sources of funding of project or project activities are granted or applied for, the beneficiary should immediately inform the DSP (of such funds received or applied for).

Complete information on the funds received or applied for should be submitted to the DSP and amendments to the Agreement and attached annexes should be made, if applicable.

# VIII. Costs between PACs/sharing of costs

PAC cannot claim costs which were charged towards it by any other PAC. The costs are not eligible.

Sharing of costs (e.g. for a joint meeting) between PACs is possible. However, the rules of the respective costs category (as defined above) have to be respected.

In practice this means that each PAC has to present a separate invoice issued on its name (corresponding to its share of the service/invoice) and the proof of payment. This principle should be respected already in the planning phase.

