

LIFELONG LEARNING PROGRAMME

Project Handbook

(Annex III or IV – Guidelines for Administrative and Financial Management and Reporting)

Selection 2011

- **Multilateral projects**
- **Networks**
- **Accompanying measures**
- **Studies and comparative research**

IMPORTANT!

Before using this document please check that it is the latest available version. If there is a later version it will be posted on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting:

http://eacea.ec.europa.eu/llp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php

(Version history is located on page 2 of this Handbook.)

Version History

Version	Date	Comments
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Introduction

Purpose of the Handbook

The Handbook applies to grants awarded in 2011 under the Lifelong Learning Programme. This includes the following types of project (action): Multilateral Projects; Networks; Accompanying Measures; Studies and Comparative Research. The Handbook and accompanying reporting templates form Annex IV¹ of your grant agreement ('Guidelines for administrative and financial management and reporting'). The Handbook is intended to serve as an aid to beneficiaries and a management tool for projects. Its principal aims are to:

- help beneficiaries² to manage their project and run them efficiently;
- clarify matters arising from the grant agreement and its annexes;
- provide practical information that may be referred to throughout the project's life;
- provide guidance on the methods of project monitoring and on the dissemination and exploitation of a project's results/products;
- provide guidance on how to handle the financial side of projects in such a way that financial statements can be readily drawn up;
- promote the sound financial management of a project and ensure that the best results/products are delivered at reasonable cost;
- encourage smooth relations between the parties involved by setting out an operational framework for the project.

Other Documents

This document should be read in conjunction with your grant agreement, the Call for proposals 2011 and the Guide for applicants. Moreover, a FAQ document on financial and contractual issues will be made available at the web page Lifelong learning - Beneficiaries space 2011: Guidelines for Administrative and Financial Management and Reporting 2011 | EACEA.

Feedback

The Agency is interested in receiving feedback from the people who use the Handbook and the report templates that accompany it. Therefore, you are invited to provide feedback allowing the Agency to refine the documents to the benefit of all.

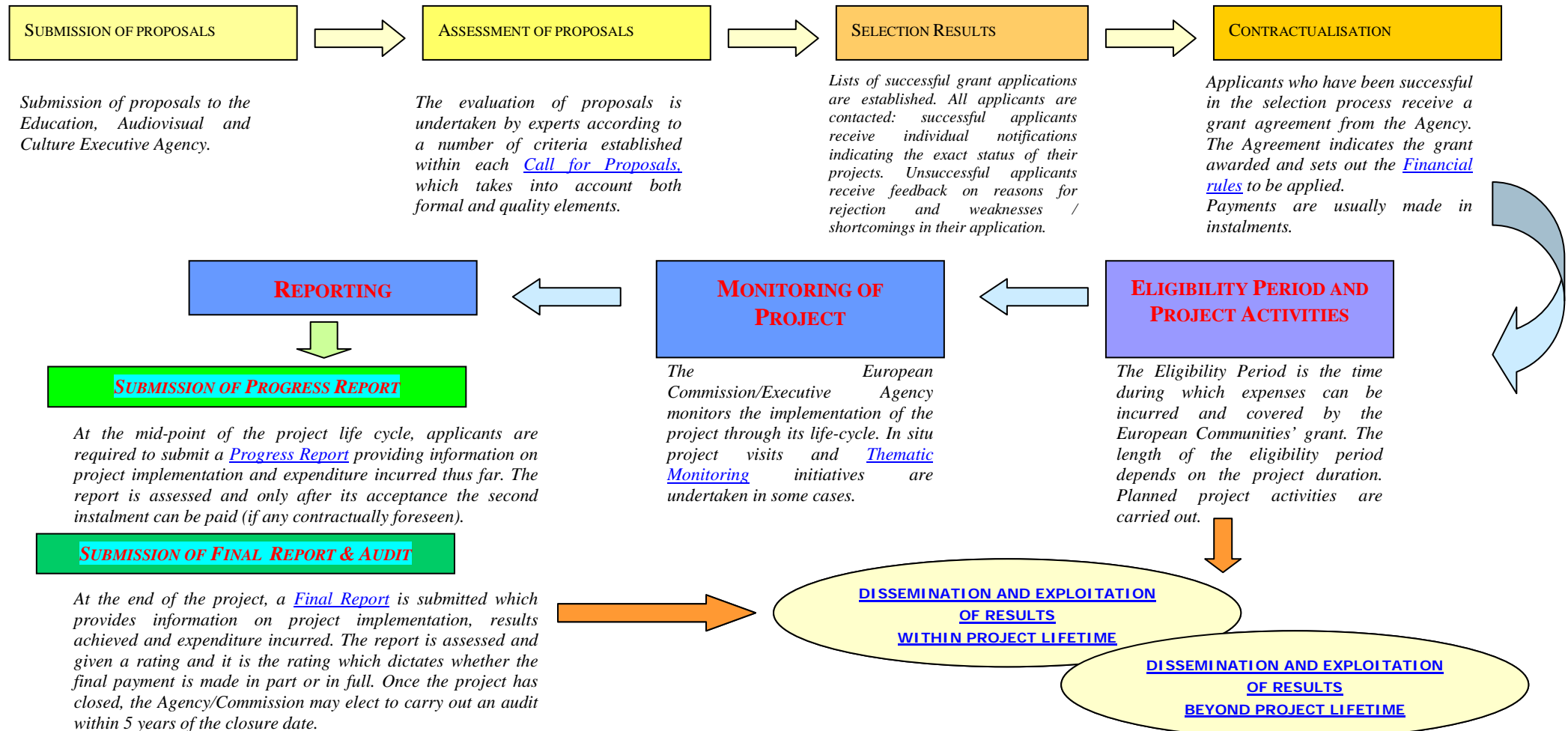
Feedback can be sent to the Agency via the mailbox: eacea-llp@ec.europa.eu.

¹ Annex IV (multi beneficiary contract) or Annex III (mono beneficiary contract)

² In a multi-beneficiary agreement the coordinator is always defined as the signatory of the grant agreement even if another partner can be chosen to coordinate the daily implementation of the project. On the other hand, the mono-beneficiary contract defines the coordinator as the beneficiary or partner coordinating the project.



1 Management of your Project - 1.1 Overview Project Life Cycle



1.2 Your project in the lifecycle of the Lifelong Learning Programme

The Lifelong Learning Programme is implemented via an annual Call for proposals in response to which you submitted an application. With the help of external experts, the Agency evaluated your application and decided to allocate European Union funds for the realisation of the project you proposed. Because your project is funded by the Lifelong Learning Programme, it is expected to contribute to the policy priorities for which the programme was established. The full results of the selection are published on the Agency's website.

Your project starts with the signature of the grant agreement by the last party and must follow the work programme that is included in that grant agreement. Through the implementation of your project you carry out a number of activities and follow the milestones in accordance with the rules set out in the grant agreement. The Agency co-finances the costs incurred in carrying out the project activities from the beginning until the end of the eligibility period set out in the grant agreement. Any project activities occurring outside of the eligibility period are not eligible for funding.

Depending on the evaluation of the financial capacity of the beneficiary organisation, the Agency may seek a financial guarantee before the pre-financing payment(s) are made.

At the beginning of the project the Agency transfers to you a first pre-financing payment which amounts to the percentage of the European Union's contribution to the project costs set out in the grant agreement. Depending on the duration of the project, there may be a second pre-financing payment. At the end of the project and after approval of the project results, analysis and approval of the costs incurred, the Agency will execute the final payment which is made up of the contractual percentage of the total eligible actual costs less the payments already made less the interests earned on the pre-financing payments.

To enable the Agency to monitor and assess the achievements of your project, you are required to submit a progress report and a final report. The progress and final reports have a Public Part – for widespread, public dissemination – and a Confidential Part for Agency use only. (see section 1.4 below). However, for projects of a shorter duration the progress report may not be required. Generally speaking, the Agency uses external expertise to assess the progress of a project and the quality of its results. As part of the monitoring activity, the Agency may organise a meeting with the key people on your project, whether in Brussels or at your premises.

If during the project's lifetime the need for modifications to the grant agreement arises, you may request an amendment to the Agency **PRIOR** to the change(s).

Dissemination and exploitation of your project and its results are very important as they determine the extent to which your results reach the intended audience and are subsequently utilised. Poor dissemination in particular can lead to duplicated effort and wasted resources. It is important therefore that you plan thoroughly your dissemination and exploitation strategy right from the beginning of the project.

After the project's closure, the Agency reserves the right to launch an audit to verify the accounts. The grant agreement includes a specific requirement to keep records (accounts and all supporting documents) for 5 years after the final payment is transferred to the beneficiary's account.

These areas are now presented in more detail in the body of this document.



1.3 Monitoring of the Project by the Agency

1.3.1 Purpose

The main purpose of the monitoring is to provide support for each project, to offer guidance and advice which can be integrated by the project team as it endeavours to achieve a successful outcome. Monitoring also ensures that projects fulfil their stated objectives and allows the identification of good practices and lessons learned so that others may benefit from them.

1.3.2 What kind of monitoring?

Monitoring may cover operational and/or financial aspects and may be performed in one or more of the following ways:

- an assessment of the work carried out and reported by the project (for this the Agency normally uses external expertise to analyse and assess the reports);
- a visit by Agency representatives to the premises of the beneficiary/coordinating organisation (*in situ* visit);
- a visit by Agency representatives to a project event or partnership meeting;
- a visit by experts to review the work of the project and report back to the Agency;
- a visit by project representatives to the Agency;
- an invitation to project representatives to visit the Agency to participate in an event organised by the Agency.

Visits by Agency representatives may be undertaken by Agency staff, external experts or a combination of the two.

The above list is not exhaustive – additional project monitoring methods may be developed in response to new needs that arise.

If the monitoring requires a visit to your premises, the Agency will confirm in advance and in writing the purpose of the visit, the issues to be addressed and, where appropriate, the list of documents that should be made available or submitted in advance. The Agency's representative and the project coordinator will work together to ensure that the visit is well planned and prepared.

On occasion, the Agency may request that the legal representative attends a particular meeting. After such a meeting, the Agency usually provides feedback to the project coordinator.



1.3.3 Visit to the beneficiary/coordinating organisation (in situ visit)

An *in situ* visit to the beneficiary/coordinating organisation can take place at any time during the lifetime of the project. The main objectives of the visit are: to verify the status of the project's implementation and the preparation of its outputs; to obtain a clear picture of how well the project is being managed; to see how well partners are cooperating; and to provide the project with support and guidance. At a more detailed level, the visit will focus on the follow-up of the work programme, project outputs, communications, administrative practices, project documents as well as on general questions relating to the financial management of the project.

The documents which should be made available for the Agency during the *in situ* visit will be specified by the Agency in advance. These could include, but may not be limited to, the following:

- any results/products available at the time of the visit;
- partner agreements referring explicitly to the EU grant agreement provisions (highly recommendable for all projects);
- minutes of the partnership meetings;
- documents related to products;
- copies of the money transfers to the partners;
- accounts and all the corresponding supporting documents;
- the full set of documents related to the procurement procedure (call/request of offers: the required number of offers, evaluation committee report, notification and rejection letters) the subcontracting agreements and invoices;
- internal and external evaluation reports, including results of testing;
- quality plan;
- dissemination and exploitation plan, including intellectual property and commercialisation agreements where appropriate;
- publicity material.

1.3.4 Visit to a partnership meeting and/or project event

The Agency may attend a project event or a partnership meeting as an observer in order to become acquainted with the progress of the project. If the visit is to a partnership meeting, each partner would generally be expected to describe during the meeting their contribution to the project and demonstrate their activities and outputs. The Agency's representative may be accompanied by an external expert.

The Agency representative may also wish to cover specific areas related to project implementation. In this instance, the Agency may take the opportunity to cover management



issues at a separate meeting with the coordinator and other project representatives. This would follow the format of the *in situ* visit described above.

1.3.5 Invitation to Visit the Agency

The project coordinator and others from the project team may be invited for a meeting at the Agency's premises. The documents that the coordinator will be expected to bring will be specified by the Agency in advance. See the documents listed in section 1.3.3 for the documents that are most likely to be requested. The coordinator/coordinating team may be asked to give a presentation outlining the current status of the project and its outputs.

1.3.6 Invitation to an event organised by the Agency

Up to two meetings per year may be organised by the Agency for project representatives e.g. a kick-off meeting or a cluster meeting. The participation in these meetings is mandatory. The coordinator and/or other project representatives may also be invited by the Agency to participate in other meetings and to present the project. The expenses related to the participation in such meetings are considered as eligible costs and should be covered by the project's budget.



1.4 Progress Report and Final Report

1.4.1 Purpose of the reports

Reporting on your project's progress and achievements is both a crucial and beneficial part of the project management process. The reports you are required to submit serve a dual purpose:

- For your own benefit and use. The reports are a means of communication from you to your peers about the project you are undertaking - you place the knowledge created in your project at the disposal of the wider community. Through their dissemination, you increase the potential for discovering initiatives that share common ground with yours and you increase the chances of being contacted by interested parties with useful input or feedback.
- For the Agency's benefit and use. The assessment of the reports enables the Agency to take a decision on the continuation of the project. Approval of the Progress Report leads to the launch of the second pre-financing payment (when foreseen by the grant agreement). Approval of the Final Report leads to the final payment. Depending on the duration of your project, you will be required to either submit a Progress Report and a Final Report or simply a Final Report. The Progress Report provides the Agency with a mid-term update on how a project is advancing against original plans and budgets whilst the Final Report is due at the end of the project thus allowing an overall evaluation of the project.

In order to provide a practical and structured means for a project to report its progress and achievements, the Agency has prepared report templates – including a financial reporting table – accompanied by instructions on how to complete them. The link to the templates can be found further down in this section.

In order to simplify the reporting exercise the templates are identical for both the Progress Report and the Final Report. However, the different requirements of reporting at the mid-term or end of a project are taken into account. The approach that has been taken is expected to facilitate compliance with reporting obligations towards the Agency as well as enable the identification of best practice and the extraction of qualitative and quantitative analysis and statistics.

The layout, required content and processing of the reports is now described throughout the remainder of this subsection whilst practical instructions for working with the templates can be found in section 3 of this Handbook.

In annex 1 and 2 you may find examples of the assessment form we use to evaluate the progress of your project.

1.4.2 Reporting period

(Reminder: projects of 18 months' duration or less are **not** required to submit a Progress Report.)

The Progress Report is due at the mid-term point of a project. In order to allow projects time for report preparation, the reporting period for the Progress Report runs from the start date of the project until **one month prior** to the submission date of the report. The Progress Report must cover the period referred to above and may therefore not be submitted earlier than one month before the submission date cited in Article I.5 of your mono-beneficiary grant agreement (article I.6 of the multi-beneficiary grant agreements) Earlier submission may lead to rejection of the report.



For the Final Report, the reporting period covers the entire project duration and the submission date falls **two** months after the end of the project.

1.4.3 Structure of the Reports

a) Overview

Both the Progress Report and the Final Report have the same basic structure consisting of 2 parts:

- a *Public Part*, including an Executive Summary;
- a *Confidential Part*.

The Public Part contains the description of the project's objectives and results, presented against the work programme, how they were achieved, how they will be exploited and how they contribute to EU policies. It is a document intended for general, external communication, including people who are not familiar with the sector your project addresses. Consequently, this part of the report should contain as little jargon as possible and be readily understandable to any interested reader. Please do not therefore copy and paste content from your original application into the report as this is likely to transfer specialised language into it. The report must also be of such a quality that it can be directly published by the Agency and the project/beneficiary organisation.

The Confidential Part presents information about the management of the project, the contract and the finances. It is meant for the Agency and remains confidential.³

It includes, for example, deviations to the work programme mandatory statistical data, possible confidential results and a detailed financial report. This document will only be looked at and analysed by representatives of the Agency and by the external experts engaged in project evaluation. It will provide the main source of information to enable the Agency to judge the project's performance and to decide upon the continuation of the project and/or the payment of the due part of the grant. In contrast with the Public Part, the terminology used in the Confidential Part must be coherent with the original application e.g. you must use the same codes and deliverable titles.

If there is any information or issue that the project wishes to raise but which it does **not** consider suitable for external communication then it should be included in the Confidential Part.

The Public and Confidential Parts of the report when put together should offer the complete picture of a project thus enabling it to be fully evaluated. However, the two parts should not contain the same information.

³ The content of the confidential part of the report is not disclosed to the public by the Agency of its own initiative. However, if the Agency receives a request for access to documents under Regulation No 1049/2001, it may be compelled to disclose those data from the confidential part of the report that do not fall within the scope of the exceptions to the disclosure provided by the said Regulation (protection of personal data and privacy of individuals, protection of the commercial interests of the legal persons, etc).



Where the Progress Report and the Final Report are expected to differ is in the degree of confidential information that they contain. The Confidential Part of the Final Report will be more substantial than its counterpart in the Progress Report.

The financial analysis of the project's expenses will be done only at the submission of the Final Report. Please note that when the approval of the Progress Report leads to the payment of a further pre-financing, it does not settle the accounts and the payment is considered as a pre-financing/advance payment.

b) Structure of the Public Part

The following section defines the layout and content of the Public Part of the report, the template for which can be found on the LLP http://eacea.ec.europa.eu/llp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php.

Instructions for preparing and submitting the template can be found in section 3 of this Handbook.

Executive Summary

As an introduction to the report, the Executive Summary should briefly describe what has been accomplished. The following core content is recommended:

- Target audience – who the project is aimed at;
- Project objectives with explicit reference to the target users (user groups which will benefit from the project results);
- Participants involved – not a list of partners but a description of the consortium with expertise available, complementarities, etc;
- Approaches used – methodologies, strategies, analysis, tests carried out, etc;
- Major results/products achieved (achieved to date). These can be tangible or intangible outcomes, lessons learnt, etc;
- Plans and prospects for the future including how the results/benefits will be sustained;
- Details of the project website.

The above list is not intended to be exhaustive; you can develop it to suit your project.

Main Body

This section of the report should build on the brief description of the executive summary, adding more detail but keeping the style and language suitable for a general public readership. Accordingly, copying content from the original application does not suit the external communication purpose of the Public Part and is to be avoided. Likewise, the use of EU project-related terminology and codes e.g. for deliverables and products is not recommended. Use instead the actual titles and names of the various deliverables and products.



The report should include details of all products/results produced within the reporting period in accordance with the approved work programme. It may contain diagrams and pictures illustrating the work of the project. As with the Executive Summary, it should be of a quality that allows it to be published without further revision or editing.

The main body of the report should include as a minimum the numbered headings (1-6) found in the table below. Please follow the same order and use the same headings for your report. If you feel that these headings do not adequately reflect the full scope of your project you may include additional headings. The suggested content in the right-hand column of the table can be developed and expanded as necessary.

Report Structure for Main Body – <i>Public Part</i> Progress Report & Final Report	
Required Headings	Suggested Content (results presented against the work programme).
1. Project Objectives	<ul style="list-style-type: none"> • Describe the project objectives; • Explain how the project benefits a specific community of users and how they are involved in the project; • Describe the potential impact upon and benefits to the target user group.
2. Project Approach	<ul style="list-style-type: none"> • Describe the methodologies, surveys, analyses, tests carried out (if applicable), set-up of cooperation for the networks, etc.; • Where relevant, address the added value of the approach used. Added value may be considered from the pedagogical, organisational or political point of view, depending on the nature of the project; • Include the evaluation strategy, approach, results etc.; • Describe the dissemination and exploitation strategy and activities. Emphasise how they contribute to the sustainability of the project results.
3. Project outcomes & results	<ul style="list-style-type: none"> • Describe the major achievements and results of the reporting period. Make explicit the link between results and objectives; • For final products/results, explain the impact of outcomes and results on the target groups; • Indicate where results can be found e.g. website details, contact details; • Reasons/events that prevented the project to achieve the expected results for the period incurred.



Report Structure for Main Body – <i>Public Part</i> Progress Report & Final Report	
Required Headings	Suggested Content (results presented against the work programme).
4. Partnerships	<ul style="list-style-type: none"> • Describe the added value of the multi-country partnership in executing the project (specifically, European added value). Where appropriate, refer to the added value related to the geographical coverage; • Emphasise the experience of working together in a European partnership; • Describe the benefits of partnerships established with groups outside of the direct project/consortium e.g. with target users.
5. Plans for the future	<ul style="list-style-type: none"> • For Progress Report only: include a description of plans to carry out the remaining work to achieve the project objectives; • For Final Report only: emphasise the exploitation of results beyond the project's lifetime. For example, this may concern aspects on commercialisation, intellectual property rights, copyrights, etc. as far as they are not confidential. Sustainability of the project's outcomes is a key element of this section.
6. Contribution to EU policies	Summarise how this project contributes or has contributed to key EU policies, objectives and priorities (Lisbon, Bologna, Bergen, etc). This relates to section D8 of the application form.

c) Structure of the Confidential Part

The following table describes the layout and required content of the Confidential Part of the Progress and Final Reports, the template for which can be found on http://eacea.ec.europa.eu/llp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php. Your submitted report should respect the numbering, order and layout that has been defined. Instructions for preparing and submitting the template can be found in section 3 of this Handbook. Additional explanatory notes on the required content can be found in the template itself.

You should attach to the Confidential Part any document produced within the project that provides useful information for the assessment of the project performance. For instance, minutes of the partnership meetings, any dissemination material you have produced, any further products (publications, CD-ROMs, DVD, promotional material, articles published, etc). If any of this material is in preparation when the Progress Report is due, you are encouraged to submit draft versions with your Progress Report which would allow the Agency to understand the state of progress.



Report Structure – Confidential Part Progress Report & Final Report	
Required Headings	Required Content (results presented against the work programme)
1. Declaration Page	<p>Provide the formal declaration of the accuracy of the information provided in your report and confirmation that a process of consultation and approval has been carried out throughout the partnership.</p> <p><u>When submitting a Progress Report</u>, please delete the two text lines that relate to the submission of a final report. When submitting a Progress Report not linked to a payment, please delete the text referring to requests of payments.</p> <p><u>When submitting a Final Report</u>, please delete the two text lines that relate to a Progress Report.</p> <p>Make sure that the declaration is signed by the legal representative (see definition in annex 1). If the declaration page is signed by the wrong person, the Agency will not be in a position to accept the report, which would delay the due payment.</p>
2. Outcomes / Results / Products	<p>Provide a complete list of all results / products / outcomes delivered by the project along with details of variations from the initial plan. Provide also a list of all products that have been delivered with the report. Guidance is provided in the template. Please number your products and make sure that the numbers match those in the list.</p> <p>If any important outcome is stored in a restricted area of your website e.g. it is subject to login requirement or password protection, do not forget to provide the login/password in section 8 of the Confidential Part.</p>
3. Implementation of the work programme / tasks	<p>Describe the problems encountered and their proposed solutions (Progress Report) or the solutions already implemented (Final Report). Present the deviations in tabular format, using the work-package titles, types and references that you used in section F of your application form.</p>
4. Impact	<p>Based on the information you provided in sections C1 and E7 of the application form, report on the short-term and long-term impact targets associated with dissemination and sustainability.</p>
5. Involvement of Partners	<p>Indicate the involvement of each partner in your work-packages.</p> <ul style="list-style-type: none"> • Link the activities carried out to the involvement of the various partners. Do not simply repeat what was written in the Public Part and in the application; • Project meetings: provide details of the meetings organised, their dates and locations and the participation of partners. Provide also minutes of the partnership meetings with a list of participants in annex to the report. Specify the purpose of the meeting (partnership meeting, preparation for conference, training event, workshop, etc); • Use partner codes as per financial table.
6. Involvement of Staff	<p>List the members of staff involved on the project per category, per partner. Include the period of their assignment.</p> <p>Only for staff recorded on the payroll of the beneficiaries or assimilated to it in the</p>



Report Structure – Confidential Part Progress Report & Final Report	
Required Headings	Required Content (results presented against the work programme)
	beneficiaries' legislation
7. Management Aspects	Describe the tools and methods put in place to manage the consortium, to ensure cooperation among partners and to implement quality assurance. This includes the internal monitoring system and tools used to assess the project's progress. Provide details of the changes to the partnership that have taken place (withdrawals/replacements) and the impact on the work programme if any (remember that any change to the partnership is subject to a formal amendment and has to be approved by the Agency). Report on any particular difficulty the project encountered related to the management of the partnership.
8. Dissemination & Exploitation	<ul style="list-style-type: none"> • Provide details of confidential results, intellectual property rights' issues, copyrights, potential commercialisation (where applicable), benefits to the user group; • Include login and password details for any confidential areas of the project website/s. This is very important for gaining a global picture of the project outcomes, especially if there are any products stored in restricted areas of your website.
Annex 1 Financial Reporting table	<p>The Financial Reporting table consists of an excel workbook that must be completed and submitted as Annex 1 to the Confidential Part. This applies to both the Progress Report and the Final Report. The excel workbook is located on the on http://eacea.ec.europa.eu/lfp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php. Instructions for preparing and submitting the template can be found in section 3 of this Handbook.</p> <p>This Financial Reporting table has been designed to also operate as an in-life project management tool.</p>

d) Project Outcomes and Results

Each product generated by the project should be submitted with the Progress and Final Reports. Any other piece of information that the project deems to be relevant for the assessment such as meeting minutes, testing results, etc. should be attached to the Confidential Part.

1.4.4 Processing the Reports

Each report must be submitted to the Agency by the deadline indicated in the grant agreement. Late submission may considerably delay the process of analysing and assessing the report. This may delay the payment of due funds and you may receive late feedback preventing you from making corrections and exposing you to possible failure.

In general, the Agency uses external experts to help with the analysis of the report, the evaluation of the quality of the work accomplished and the formulation of an overall assessment.



The experts engaged by the Agency are obliged to declare up front (e.g. in advance) that no conflict of interest exists in relation to the projects they will assess.

If a report is incomplete (for instance, some parts are missing or incorrect), the Agency may request that further information be supplied and provided through the submission of a new, updated version of the report. The submission of a new version of the report is especially important if the Public Part is not of sufficient quality and completeness to enable eventual publication (see also section 1.4.7 of this Handbook). However, if the information missing or incomplete relates to the Confidential Part, the Agency may decide that the additional information can be submitted separately e.g. without the project having to submit a new version of the report. The Agency will specify the form in which the additional information should be submitted. In these cases, the period foreseen in the contract for payment will be suspended until the additional information has been received by the Agency.

In addition, there are a number of elements that are indispensable for the Agency to carry out an analysis of the report. The absence of any of these elements would render the Agency unable to assess the report and would thus lead to a rejection of the report until the missing information had been provided.

Reasons for rejecting reports:

- no original version of the report is received;
- the original signature of the legal representative – see definition in annex 1 – is missing (the signature of a person other than the legal representative cannot be accepted);
- the Public Part is missing;
- the Confidential Part is missing;
- the financial reporting tool (electronic version) is missing or the amounts presented are not in accordance with the initially agreed budget;
- the report, including the financial reporting tool, has been submitted using wrong templates;
- the report has been submitted in a language other than English, French or German;
- the report has been submitted earlier than one month before the submission date cited in Article I.5 of your grant agreement (article I.6 of the multi-beneficiary contract).

Based on the experts' assessment and the recommendations they make, the Agency takes a final decision with regard to the payment of the due part of the grant. In the event that the report is not complete and additional information needs to be submitted, the payment that is dependent upon the report's positive evaluation is likely to be delayed.

Once the assessment is complete, the Agency will inform the project of the final evaluation e.g. its decision and feedback on the project's progress and achievements.



1.4.5 Specific requirements for the Final Report

The Final Report is due after the formal end of the project allowing the project to be reported on and evaluated in its entirety. Consequently, all contracted project activities should be complete and products finalised by the time the report is submitted.

The assessment of the Final Report includes the following elements.

- an appraisal of the quality of the project's results and products. In addition to analysing the quality of individual results, this includes checking that the activities carried out correspond to the activities that were defined in the original plan. The overspending or under spending of funds should be duly justified and the achievements should correspond to the costs incurred (“value for money”);
- an evaluation of the eligibility of declared expenditure and of the project's adherence to its budget;
- a verification of the measures taken to guarantee the successful dissemination and exploitation of the project's results and products.

1.4.6 Weak implementation of a project

As stated in article I.10.6 of the mono-beneficiary grant agreement (article I.11.6 of the multi-beneficiary grant agreement), the Agency *"shall reduce the amount of the final grant relating to the staff costs in the event of weak implementation of the action"*.

This reduction shall be applied in accordance with the provisions explained below:

The experts carrying out the final assessment will give an overall judgement on the project made up of a "qualitative" grade and a numerical rating. The values given will reflect the quality of the products as well as the performance of the partnership. They will also take into consideration the project objectives defined in the work programme.

The rating values – which dictate the precise level of reduction of the grant, if any – run from 0 to 10, where 0 is at the bottom of the rating scale and 10 is at the top. Where the rating recommended by the external experts and confirmed by the Agency lies between 0 and 4, the Agency may decide to have the project reassessed. If a reassessment is carried out and the views of the experts differ, the final consolidated rating will be determined by the Agency.

Where the rating falls between 0 and 4, a reduction of the European Union contribution to the eligible staff costs will be implemented according to the following scale:

Final Assessment		Corresponding reduction to eligible staff costs in the final European Union contribution
Grade	Rating	
Very Good	10	
	9	
	8	



	7	0%
Acceptable	6	
	5	
Weak	4	25%
	3	50%
Very Weak	2	75%
	1	85%
	0	

As mentioned above, the reduction will be applied to the total eligible staff costs. Once this amount is identified, the corresponding grant to the staff costs will be calculated in accordance with the co-financing ratio established in the grant agreement.

Example

A project with a co-funding ratio of 75% and total eligible staff costs of 100.000 EUR has been assessed as having a weak implementation and has been awarded a rating of 4. The reduction would be applied as follows:

Total eligible staff costs:	(A)	100.000 EUR
% reduction to eligible staff costs:	(B)	25%
Actual amount of reduction (= A x B):	(C)	25.000 EUR
Total eligible staff costs after reduction (= A - C):	(D)	75.000 EUR
Co-funding ratio:	(E)	75%
Total grant towards staff costs (= D x E):	(F)	56.250 EUR

In addition, the external expert may recommend that the contribution for other budget categories is reduced where it is considered that the costs are not necessary for the execution of the project or not justified by the work reported e.g. travel costs, equipment costs,(e.g.: all costs for the creation of a website invoiced but the website is not available).

At the Progress Report stage, the same rating system will be used as a means of giving feedback to the project about its performance. At this stage, the level of rating has no direct impact on any subsequent pre-financing payment. Nevertheless, the Agency may decide to reject the report if it is incomplete or hold back the payment if it is assessed as very weak. Decisions will be taken on a case-by-case basis.

1.4.7 Use of reports to strengthen the Dissemination & Exploitation of results

If, in the opinion of external experts, the quality of a project's achievements *and* the quality of the accompanying report are considered to be high, the Agency may publish the Public Part of the report on the Agency's website accompanied by a link to the project's website. To this end, the Agency will ask experts to give their opinion on both the quality of the project and the quality of the report. A project that scores less than 5 will not be considered for publication



regardless of the quality of its report. For projects scoring 5 or more, the Public Part may be published provided that the quality of the report is considered high enough. If a high quality project submits a poor quality report, it may be invited to produce a second version of the Public Part so that the quality may be improved and the report eventually published, thus enhancing its dissemination potential.

The Agency may also use the Public Part as a direct input for publications, qualitative analysis, etc.

The project benefits from this approach since both the Executive Summary and the Public Part can be directly used to show the project results and can be published on the project's website.

Moreover, the reports can be published through the tools for dissemination and exploitation that the Commission and the Agency have put at the projects' disposal. For example, the EVE electronic platform and also the ADAM database that is available for Leonardo da Vinci projects.

Projects are bound by article II.15 and II.19 of the grant agreement to provide information when requested.



1.5 Dissemination and Exploitation of Results

1.5.1 Purpose of dissemination and exploitation activities

Significant emphasis is placed on the impact of EU co-financed projects and on the concrete plans for ensuring that what they produce will be widely known about and widely used. The results generated, the lessons learned and the experience gained by each project team should be made available to the widest possible audience.

The primary means of making this happen are the twin activities of dissemination and exploitation, also known together as *valorisation*. Their key objective is to maximise the impact of project results by optimising their value, strengthening their impact, transferring them to different contexts, integrating them in a sustainable way and using them actively in systems and practices at local, regional, national and European levels.

Well-planned and well-executed dissemination and exploitation ensure that project results have a reach beyond those directly involved in the consortium and an impact that is sustained beyond the project's lifetime.

1.5.2 What are project results?

Project results are the products, methods, experiences and policy lessons that projects may realise. Broadly speaking, there are five main categories of result of which the first three are direct project results and the second two are indirect project results or programme-level results.

The results must also be evaluated through the “costs/benefits” ratio.

Result Category	Examples
Products	<ul style="list-style-type: none"> • reports and comparative studies; • handbooks and training tools; • innovative education and training modules; • new curricula and qualifications; • guidance material for new approaches and methodologies; • demonstrator, prototype; • online education and training material (e-learning); • conferences and cultural events; • seminars, debates and symposia.
Methods	<ul style="list-style-type: none"> • increased knowledge of the participants within a certain field and topic; • cooperation processes and methodologies; • managerial lessons learned and know-how; • exchange of ideas and good practice.
Experiences	<ul style="list-style-type: none"> • experience gained by the project partners in the management and



	<ul style="list-style-type: none"> undertaking of transnational partnerships; • experience gained by individuals, e.g. from mobility periods; • exchange of experience and best practice through the establishment of networks.
Policy lessons	<ul style="list-style-type: none"> • drawn from the overall experience of projects within a programme or from individual projects that are particularly innovative or effective; • feed back to inform policy making e.g. in the Lifelong Learning field within the Commission and within member States.
European Cooperation	<ul style="list-style-type: none"> • new or extended European partnerships; • transnational sharing of experience and best practice; • cross-cultural dialogue and co-operation; • new dialogue and partnerships between EU and non-EU countries.

The different categories of results may require different approaches for dissemination and exploitation. For example, tangible results such as 'products' may be easily demonstrated with actual items, graphical representations and samples whereas intangible results such as 'experiences' may require alternative methods of demonstration such as survey results, interview analysis and accreditation programmes.

1.5.3 What are the dissemination and exploitation of results?

The activities of dissemination and exploitation are closely related but distinct from one another.

Dissemination can be defined as "a planned process of providing information to key parties on the quality, relevance and effectiveness of the results of programmes and initiatives. It occurs as and when the results become available."

Exploitation means "making use of and deriving benefit from (a result)". In the context of project results it primarily involves the two processes of 'mainstreaming' and 'multiplication', where:

Mainstreaming is the planned process of transferring the successful results of programmes and initiatives to appropriate decision-makers in regulated local, regional, national or European systems; and

Multiplication is the planned process of convincing individual end-users to adopt and/or apply the results of programmes and initiatives.

1.5.4 How to plan your dissemination and exploitation

Having a strong plan for dissemination and exploitation from the *start* of a project is a key priority for a EU co-funded project. It is for this reason that dissemination and exploitation work packages formed a mandatory part of your application package. Creating the plan early on ensures that your intended users and their needs are central to your project from the beginning.

In planning these activities, the project team should be addressing the following kinds of questions:



- What needs does the project meet?
- What are the expected results?
- Who are the users/interested sectors who will benefit from the project's results?
- To reach these results/targets, in which languages should the products be disseminated?

Time should be spent on establishing who is expected to use the project's results and taking account of their needs. This should include all potential users, not just those from the immediate consortium. Plans should allow for consultation with, and the involvement of, users during the project's lifetime.

The key elements of the plan are:

- The types of dissemination and exploitation activity that will be used – the methods and mechanisms, the languages to be used;
- The resources that will be required – people and budget including for translation;
- The timetable for the different activities;
- The strategy for extending the activities beyond the project's lifetime.

Once established, the dissemination and exploitation plan should be regularly reviewed and where necessary revised in light of the project's evolution. Any adjustments to the plan should be described in the Progress and Final Reports that you submit (see also chapter on amendments).

For more detailed guidance on writing a dissemination and exploitation plan please visit the DG EAC website at the following address:

http://ec.europa.eu/dgs/education_culture/valorisation/index_en.html

Amongst other things, this includes "The EU's 5-stage plan for dissemination and exploitation" along with a dissemination toolkit and suggested mechanisms for both valorisation activities.

Please read the *Other Special Conditions* to the grant agreement that relate to dissemination (Article I.10. § 4-5 or article I.11. of the multibeneficiary grant agreement).

The first is the requirement for beneficiaries to establish and maintain a project website. The second is for them to provide information on request that would allow the Agency and/or the Commission to promote the Lifelong Learning Programme and to disseminate results.

It should also be noted that the Public Part of the reports will be made available – quality and rating levels permitting by the Agency/the Commission for people to download, copy and distribute freely in accordance with article II.3.2 of the grant agreement.



1.5.5 Recognition of Commission funding and use of LLP logo

Project publications and results that are distributed must make reference to the co-financing that the European Union has provided and should incorporate the LLP logo. This visibility helps increase awareness of the Lifelong Learning Programme and helps ensure the continuation and longevity of its operation.

The LLP logo can be found at:

http://eacea.ec.europa.eu/about/logos_en.html

The reference to the co-financing (the so-called "**funding disclaimer**") is available in all languages at:

http://ec.europa.eu/dgs/education_culture/publ/graphics/agencies/use-translation.pdf

Failure to acknowledge the European Union funding may lead to the costs related to a particular activity being declared ineligible. For example, in the case where the activities included research and publication, if the publication fails to mention EU funding, then the costs of research would still be eligible but the costs of publication would be declared ineligible.



1.6 Amendment Requests

Guidance on filling in the form can be found on page 2 of the form itself, available on http://eacea.ec.europa.eu/llp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php

As indicated in Article II.13 (or II.14) of your grant agreement, any amendment to the grant conditions must be the subject of a prior written supplementary agreement. It is important to understand that the amendment request should not be used retrospectively e.g. changes that have in reality already been carried out prior to the submission of the request.

The amendment request has to:

- use the specific template provided by the Agency.
- be submitted to the Agency by an official letter or form signed by the legal representative of the beneficiary, that is, the person who signs the contract or his/her legal replacement;
- be submitted to the Agency before the change occurs;
- be submitted to the Agency at the latest one month before the closing date of the action;
- duly justify the reasons for the proposed changes. The Agency reserves the right to reject an amendment request that is not sufficiently justified.

In this chapter we will describe the types of changes that may occur during the lifetime of a project and the way to notify the Agency of these changes.

1.6.1 Changes in the partnership: withdrawal or replacement of co-beneficiaries (partners)

Any change in the partnership needs to be notified to the Agency. Supporting documents are requested to be sent with the amendment form.

Please note activities executed by third country partners cannot be transferred to regular LLP partners, because the third country partners were accepted with a separate budget and work programme. If you intend to change third country partners, please contact the Agency.

1.6.2 Change of the coordinator or change of name/address of the coordinator (main beneficiary organisation)

In a multibeneficiary agreement, the signatory of the grant agreement is called "coordinator"⁴. If the coordinator changes, this is an "Act of substitution". In such a case, the new signatory of the grant agreement is responsible for getting all supporting documents related to the costs already incurred by the previous signatory of the agreement: he should receive a report on the activities implemented and the results achieved together with a detailed status of costs and all supporting documents by the leaving beneficiary beforehand.

Please note that the amendment, once approved by the Agency, needs to be signed by the former beneficiary, the new beneficiary organisation and the Agency.

⁴ See Annex 1 Definition of Terms of this Handbook



1.6.3 Change of legal representative

If the legal representative⁵ of the coordinator (main beneficiary organisation) changes, an official letter signed by the legal representative with an official document confirming the capability of the new legal representative is sufficient (e.g. statutes and minutes of the Board). The letter should include all the contact details of the new legal representative (telephone and fax number, address, email, etc). The Agency will confirm its agreement with the requested changes by sending a letter to the coordinator (main beneficiary organisation).

1.6.4 Change of project managing organisation / project manager

If the signatory of the grant agreement and the co-beneficiaries (partners) agree to subdelegate the daily project management to another co-beneficiary (partner), it is not necessary to use the amendment form if the new project managing organisation is already an existing partner in your consortium. This is because the change of the project managing organisation does not necessitate changes to the grant agreement. In this case, please inform the Agency by letter. The letter should include a description of the competences and experience of the new daily project manager. It must also include the new project manager's contact details (telephone and fax number, address, email, etc).

Please note the final responsibility for the implementation of the project remains with the coordinator as the signatory of the grant agreement.

Where necessary, a new work programme with the task distribution broken down by partners and a new budget breakdown should be submitted. In this scenario, please use the appropriate Amendment Request form to notify the Agency of the changes (see above).

Similarly, A change of project manager does not require the amendment request form to be used. A letter informing the Agency about the reasons for the envisaged change and stating that there is no objection from the project partners to the change of the project manager is sufficient.

1.6.5 Changes to the eligibility period

It is possible to ask for an extension of the eligibility period in well justified cases. This extension may not exceed 6 months though. A modification of the eligibility period implies also a modification of the deadlines for submission of reports and other documents specified in the grant agreement.

1.6.6 Changes to the budget breakdown

NB: In accordance with article I.3.4 of the grant agreement (article I.4.4 of the multi-beneficiary grant agreement), an amendment request relating to an adjustment to the budget breakdown is not necessary when the transfer between budget headings of eligible direct costs e.g. between staff costs and operational costs (travel and subsistence, equipment, subcontracting, others) does not exceed 10% of the amount of the heading of eligible direct costs for which the transfer is

⁵ See Annex I Definition of Terms



intended (the heading that increases), irrespective of the adjustment made between *items* of operational costs.

When assessing your Final Report, the Agency will accept that costs declared do exceed the budget following this same rule (by budget heading of direct costs provided the adjustment of expenditure does not affect the implementation of the action).

This rule of transfer is NOT applicable to indirect costs as they are always limited up to 7% of total eligible direct costs and laid out in Annex II of the grant agreement..

Please note that it is not possible to modify the total amount of the contractual budget, the amount of the grant or the percentage of European Union funding.

Examples

- 1) If you intend to increase the budget allocated to staff from EUR 30.000 to EUR 32.000, no formal amendment request is necessary. This is an increase of less than 10% of the staff budget heading.
- 2) On the other hand, if you intend to increase the budget allocated to staff from EUR 30.000 to EUR 38.000, a formal amendment request is necessary as this adjustment is more than 10% of the staff budget heading. Costs under other headings will need to be reduced accordingly
- 3) Within the operational costs budget heading, if you intend to increase the budget allocated to travel and subsistence from EUR 10.000 to EUR 12.000 and decrease the budget allocated to equipment from EUR 3.000 to 1.000 EUR, no formal amendment request is necessary. This is indeed only a transfer between items of the operational costs budget heading: this budget heading has not increased by more than 10% (actually it has not increased at all).
- 4) If you intend to re-allocate budget from staff to any of the operational costs budget heading (travel and subsistence, equipment, subcontracting, others), e.g. you increase subcontracting from EUR 15.000 to EUR 20.000 when the total budget for operational costs is 60.000 euro, no formal amendment request is necessary, as the difference of EUR 5 000 is less than 10% of the total operational costs.

1.6.7 Change of bank account

If the bank account of the coordinator (main beneficiary organisation) changes, the new bank details need to be communicated to the Agency by filling in the form on http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm

The form must be signed by the account holder in original and either stamped and signed by the bank concerned or accompanied by a recent bank statement. Please note we cannot accept a financial identification form which does not bear an original signature.

1.6.8 Changes to the work programme

A formal amendment request is only necessary for major changes to the work programme. If you are in doubt whether or not you need to request a formal amendment, please contact the Agency.



2 Financial rules

The following financial rules must be read together with the Call for proposals and the Guide for applicants and in particular with the administrative and financial rules available under http://ec.europa.eu/education/programmes/llp/guide/adminrules_en.pdf, from which most of these rules are taken.

The following sections apply to the beneficiary and all partners within the consortium (e.g. the rules on staff costs apply to all partners of the consortium including the beneficiary and Third Countries)

They will be progressively illustrated with Frequently Asked Questions (FAQs) on the web site http://eacea.ec.europa.eu/llp/beneficiaries/2011/reporting_lifelong_learning_2011_en.php

2.1 General Provisions on Eligibility of Costs

The general context, nature and amount of expenditure will be considered when assessing eligibility.

To be considered as eligible costs of the project, costs must satisfy the following general criteria:

- they must relate to activities involving the **eligible countries** in the Lifelong Learning Programme (the eligible countries are the 27 member states of the EU as well as Iceland, Norway, Liechtenstein and Turkey). Any costs relating to activities undertaken outside these countries or by organisations that are not registered in an eligible country are not eligible unless they are necessary for the completion of the project and duly justified in the application form and in the report and agreed in advance with the Agency through an exchange of letters;
- they must be incurred by **legal entities of the consortium concerned** depending on the project concerned (see page 41 of LLP Guide 2011 Part I⁶), and in the case of consortia, by the official partners of the consortium or Third countries (if any foreseen in the contract budget);
- they must be **connected** with the project (e.g. relevant to the project and be directly connected with the execution of the project in accordance with the approved work programme);
- they must be **foreseen** in the estimate overall budget of the project. Should the Beneficiary anticipate to incur costs that were not foreseen in the estimated budget, the prior approval of the Agency should be sought before incurring these costs;
- they must be **necessary** for the execution of the project;

⁶ http://ec.europa.eu/education/llp/doc/call11/part1_en.pdf



- they must be **reasonable and justified** and they must accord with the principles of **sound financial management**⁷, in particular in terms of value for money and cost-effectiveness;
- they must be **generated** during the contractual lifetime of the project⁸ (See page 41 of LLP Guide 2011 Part I⁹ with the exception of costs relating to external audit reports on the project's financial statements and underlying accounts);
- they must be **actually incurred** by the beneficiary and be recorded in his accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;
- they must be identifiable and verifiable and determined according to the **applicable accounting standards of the country** where the beneficiary is established and according to the usual **cost-accounting practices of the beneficiary**.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the project with the corresponding accounting statements and supporting documents. For scales of unit costs, this implies that the "number of units" must be recorded in appropriate documents (e.g. timesheets, attendance lists, etc.).

Where national taxation and accounting rules do not require an invoice, an accounting document of equivalent value means any document produced in order to prove that the accounting entry is accurate and complies with the applicable accounting law.

The beneficiary must keep all supporting documents relating to the project no matter which partner incurred the costs. Unjustified costs will not be considered as eligible by the Agency nor by the auditors.

⁶ Costs shall be defined in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness. The principle of economy requires that costs shall be defined in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

⁸ e.g. generated by an activity that takes place during the lifetime (legal duration) of the project / action. Activities taking place before or after the period specified in a grant agreement are not eligible for funding.

⁹ http://ec.europa.eu/education/llp/doc/call11/part1_en.pdf



2.2 Non-eligible Costs

Under no circumstances can the following types of costs be considered as eligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities (provisions for contractual and moral obligations, fines, financial penalties and legal costs);
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, **unless** the beneficiary organisation can prove that it is unable to recover it;
- costs declared by the beneficiary and covered by another project or work programme receiving a European Union grant;
- excessive or reckless expenditure;
- purchase of capital assets - only depreciation is eligible;
- in the case of rental or leasing of equipment, the cost of any buy-out option at the end of the lease or rental period;
- costs associated with the preparation of the application for the Lifelong Learning Programme, including audit reports;
- costs of opening and operating bank accounts (transfer costs are eligible);
- costs incurred by silent / ineligible partners;
- contributions in kind.

Costs which could be considered as eligible according to the criteria detailed under section 2.1 become ineligible if they are **not supported by adequate supporting accounting documents** (see also point 2.6 below).

2.2.1 EU logo and communication

The Agency reserves the right to reject costs relating to documents and materials which do not state the EU logo and funding disclaimer as defined in the Special Conditions of the grant agreement.



2.2.2 Timely recording of costs

Expenses must be recorded in the accounting system on the basis of adequate supporting documents at the time the costs were incurred. Documents created after the period in which the costs were incurred, will be declared ineligible (e.g. attestation of costs incurred in 2008, created /dated in 2011.)

2.3 Categories of Eligible Direct Costs

The eligible direct costs for the project are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to performance of the project and which can therefore be booked to it directly.

2.3.1 Staff

Costs relating to the following categories of staff are considered:

- statutory staff, having either a permanent or a temporary employment contract with the partner;
- temporary staff, recruited through a specialised external Agency;

Costs related to agents working through subcontracting shall be included under the appropriate category (see heading "subcontracts")

Staff members of project partners are not allowed to operate in a subcontracting capacity for the project.

Beneficiaries should report staff costs based on real daily staff cost rates, corresponding to the beneficiary's usual policy on remuneration, comprising actual salaries plus social security charges and other statutory costs included in the remuneration. Non-statutory costs like bonuses, lease car, expense account schemes, incentive payments or profit-sharing schemes are excluded. Salary policy shall be the same for all staff no matter if they work or not in the project: the use of maximum EU ceiling rates for staff working on an EU project in parallel with the use of another grid of salary for staff working in the frame of beneficiary activities is not acceptable. The veracity of these costs may be the subject of an audit.

The beneficiary's method of calculation and the pro rata basis used (e.g.100 %, 50%...) must be clearly indicated for each staff member in the Confidential part of the report, section 6.

In any case, those rates cannot exceed the maximum rates published in the LLP Guide 2011 (Part I-General Provisions, http://ec.europa.eu/education/llp/doc/call11/part1_en.pdf, Table 5a, page 45) Any surplus will be considered as ineligible.

The rate of the country in which the partner organisation is registered will be applied, independently of where the tasks will be executed (e.g. a staff member of an organisation of country A working (partly) in country B will be budgeted on the basis of the rates of country A).

Regarding the use of experts by the beneficiary, it is advised that the beneficiary requests those experts to sign a declaration of absence of conflict of interests, stating that they did not take part in the Agency's selection process relating to the 2011 Call (the Call you applied for).



Examples of necessary supporting documents

- document explaining the internal policy on salaries and the calculation of the daily cost rate (pro rata basis if of part-time workers). Internal policy means the policy that was in place before the implementation of the project and used for all staff members no matter if they work on the EU project or not;
- timesheets signed by both the worker and the responsible of the organisation mentioning name, function and tasks fulfilled, reference to the work programme's activities, number of hours per day or days per month allocated to the project;
- official payroll document which allows to check both number of days worked and amounts paid & social security charges duly paid;
- proof that the salaries and social security contribution recorded in the accountancy have been paid by the partner to the authorities.

Please note these documents should be kept for a period of 5 years after the final payment is made.

Third Country participation

Applicants should base the third country staff budget **on real daily staff cost rates**. Staff costs may not exceed the normal costs for each staff category in the country concerned. Staff costs must be broken down into categories 1 to 4 of the International Standard Classification of Occupations (ISCO). Under no circumstances may the daily rate exceed the following maximum amounts:

- Staff category 1 (maximum amount EUR 450/day)
- Staff category 2 (maximum amount EUR 300/day) – University Professors
- Staff category 3 (maximum amount EUR 250/day)
- Staff category 4 (maximum amount EUR 125/day)

Please note that third countries are not eligible to participate in the Studies and Comparative Research action.

2.3.2 Travel and Subsistence

a) Travel costs

Travel costs for staff taking part in the project are considered eligible, provided that they are in line with the partner's usual practices on travel costs¹⁰. Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. For information on travel costs for non-staff members please refer to the sections below.

Reimbursement must be based on real costs, regardless the means of travel chosen (rail, bus, taxi, plane, hire car). Partners are required to use the cheapest means of travel (e.g. use Apex tickets for air travel and take advantage of reduced fares, where this is not the case then a full explanation should be provided).

The travel cost for a journey should include all costs and all means for travel from the point of origin to the point of destination (and vice versa) and may include visa fees, travel insurance and cancellation costs.

¹⁰ For Comenius Multilateral projects involving mobility activities during Initial Teacher Training: Travel costs (based on real costs) and subsistence costs will be recorded separately under "Other Costs".



Expenses for private car travel (personal or company cars), where substantiated and where the price is not excessive, will be reimbursed as follows (whichever is the cheapest):

- either a rate per km in accordance with the internal rules of the organisation concerned up to a max of EUR 0.22;
- or price of a rail, bus or plane ticket. Only one ticket shall be reimbursed, independently of the number of people travelling in the same vehicle.

For hired cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of travel (also taking account of any influencing factors e.g. time, excessive luggage). Reimbursement takes place independently of the number of people travelling in the same vehicle.

Examples of necessary supporting documents

- tickets (plane, train, bus, etc.) and invoices (hotels, restaurants, travel agency);
- boarding cards;
- for car journeys: declaration stating the calculation method with unit rate and number of units, dates and names and activities concerned;
- list of participants duly signed with clear identification of the activity/purpose of the trip, dates, names and functions of the participants in the project (e.g. partner, expert, volunteer, subcontractor);
- proof that the payments have been made by the partner and are recorded in the accountancy.

Third Country participation: Only real cost for travel to the European participating countries and within the home country are eligible.

b) Subsistence costs

Subsistence costs for staff taking part in the project are eligible¹¹.

Reimbursement must be based on the existing internal rules of the partner organisations, which may be on the basis of actual costs (reimbursement of receipts) or daily allowances. In any case, those costs cannot exceed the maximum rates published in the LLP Guide 2011 (Part I-General Provisions, Table 5b, page 46) posted on the LLP web page (http://ec.europa.eu/education/llp/doc2593_en.htm). Any surplus will be considered as ineligible. The rate to be applied is the one from the destination country e.g. the country in which accommodation costs are incurred. Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. For information on charging subsistence costs for non-staff members please refer to the sections below.

In either case, proof of attendance and overnight accommodation will be required to substantiate the costs declared.

Subsistence rates cover accommodation, meals and all local travel costs (but not local travel costs incurred to travel from point of origin to point of destination).

¹¹ For Comenius Multilateral projects involving mobility activities during Initial Teacher Training: Travel costs (based on real costs) and subsistence costs will be recorded separately under "Other Costs".



The maximum number of days that can be claimed is the number of working days + 1. A full day normally includes an overnight stay. In duly substantiated cases, a full day's allowance without an overnight stay may be allowed with a pro rata reduction for accommodation (costs limited to 50% of the maximum rate). A corresponding reduction must be applied if accommodation, meals and local travel costs are provided for by a third party.

Third Country participation: The same rule as detailed above applies.

Maximum eligible daily subsistence rates for the destination country of the trip (outside LLP countries)

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm (please refer to the update of 10/07/2011).

2.3.3 Equipment costs

Purchase, rent or lease of equipment (new or second-hand), including the installation, maintenance and insurance costs, are considered eligible costs:

- only when specific and necessary for achieving the goals of the project. Proposed equipment costs must always be duly justified. The rules for procurement defined in the grant agreement apply;
- provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account. The beneficiary shall explain the rules applied. If the nature and/or the context of its use justify different treatment, this should be duly justified.

ICT Costs, such as computer equipment, or Internet connection, should be spread proportionally to all projects and main activities implemented by the Contractor and Project Partners. The pro rata charged to this EU project, should reflect the percentage of use of the ICT equipment and connection time in that project. The apportionment should be on a reasonable, justified and coherent basis, which should be readily available.

All equipment related to the administration of the project (e.g. PCs, portables, etc.) and all equipment purchased before the start of a project is covered by indirect costs of the project (See below).

The total reported expenses for equipment may not exceed 10% of the total eligible direct costs reported for the project. Equipment costs are not eligible for Third Country participation.

Examples of necessary supporting documents

- contracts and invoices;
- proof that the payments have been made by the partner and are recorded in his accounts;
- for costs incurred through subcontracting, please refer to subcontracting.



2.3.4 Subcontracting costs

Costs entailed by procurement contracts for the purposes of carrying out a part of the project are considered when awarded by a partner to an external body, organisation or individual.¹² The subcontracted party may not be employed by any of the Partner organisations of the consortium.

In order to maintain the concept of the project partnership, the management and the general administration of the project may not be subcontracted.

Costs are based on a verifiable estimate or, if the subcontractor is identified, on the basis of an offer. The estimate/offer will cover all costs (e.g. staff costs plus travel costs, etc.).

The beneficiary shall award the contract to the tender offering best value for money, that is to say, to the tender offering the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.

- The following specific rules with regard to procurement apply: contracts with a value below or equal to EUR 12.500 can be paid simply on presentation of an invoice;
- Contracts with a value between EUR 12.500 and EUR 25.000 are subject to a procedure involving at least three tenderers;
- Contracts with a value between more than EUR 25.000 and EUR 60.000 are subject to a procedure involving at least five tenderers;
- You must be able to prove that you have requested offers from the minimum number of contractors specified above. Requests sent by email, fax or post may constitute these proofs. Where a contractor declines to provide an offer, it is recommended that you request a confirmation of this declination;

For contracts of a value over EUR 60.000, national rules with regard to procurement apply.

The total reported costs for subcontracting may not exceed 30% of the total eligible direct costs of the project. Subcontracting costs are not eligible costs for Third Country participation.

Examples of necessary supporting documents ¹³

- The thresholds for contracts with a value up to 12.500 € presentation of an invoice; contracts between more than 12.500 € and 25.000 € are subject to a procedure involving at least 3 tenderers; contracts with a value between more than 25.000 € and 60.000 € are subject to a procedure involving at least 5 tenderers. Above 60.000 € national rules apply

¹² This refers to individuals who may be self-employed e.g. who are responsible for their own social security or social contributions, pensions and taxes. National legislation on the definition of these individuals can vary and should always be considered. Covers also consultants, who provide one off services for which a fee is received.

¹³ See article I.10 (or I.11 for multi-beneficiary contracts) and II.9 (or II.10 for multi-beneficiary contracts)



- All documents relating to the Procurement procedure to be followed as per article I.6 and II.9 of the beneficiary grant agreement
- terms of reference/specifications of the tendering;
- request for quotation with reference to the project, activity and deadline for answering;
- quotations received dated and signed;
- evaluation committee 's report;
- award decision;
- contracts and invoices;
- proof that the payments have been made by the partner and are recorded in the accountancy.

NB: When the rules of your institution oblige you to work with a unique supplier for each assignment with the aim of obtaining the fairest economic conditions, this situation can be accepted provided that you can prove that a procurement procedure was launched in order to choose this subcontractor "*in tempore non suspecto*" (*i.e existing framework contract*)

2.3.5 Other Costs

Costs arising directly:

- From requirements imposed by the grant agreement are eligible (e.g. dissemination of information, specific evaluation of the project, audits, translations, reproduction, website, etc.), including the costs of financial services (bank guarantees);
- From the realisation of specific actions or of products/results of the project are eligible e.g. the organisation of seminars by the project team itself (where the seminar is foreseen as a product/result and where task-related costs are easily identifiable), the "in house" production of proceedings of a seminar, the production of a video, the purchase of product-related consumables (reams of paper for printing of publications, blank DVDs), etc.

Only activities which are specific and necessary for achieving the goals of the project are considered. When travel and/or subsistence costs are reimbursed to third parties (experts, speakers, etc.), the rules applicable to staff of partners will be applied.

For all costs incurred through subcontracting please refer to section 2.3.4 above.

Costs which are not covered by the other categories are also considered as other costs. Some examples are: one-off costs for press releases and publicity, purchase of copyrights and other Intellectual Property Rights, purchase of information materials (books, studies and electronic data), conference fees; meeting registration costs; rental of exhibition space, etc.

All costs related to the administration of the project e.g. consumables, supplies, photocopying costs, telephone costs, internet access, paper, etc., are covered by indirect costs of the project (see below).

Examples of necessary supporting documents

- contracts and invoices;
- proof that the payments have been made by the partner and are recorded in his accounts.



2.4 Indirect costs

The eligible indirect costs for the project are those costs which, with due regard to the conditions of eligibility described above, are not identifiable as specific costs directly linked to performance of the project which can be recorded in the project's accounts, but which have nevertheless been incurred in connection with the eligible direct costs for the project. They cannot include any eligible direct costs.

The indirect costs of the project eligible for European Union funding is a flat rate amount set at a maximum of 7% of the total amount of eligible direct costs. This indirect costs rate was contractually¹⁴ agreed and is given in Annex II of the grant agreement. The corresponding costs need not be justified by accounting documents.

Indirect costs shall not be eligible under a project grant awarded to a beneficiary who already receives an operating grant from the Commission during the period in question.

Examples of indirect costs are:

- All costs for equipment related to the administration of the project (e.g. PCs, portables, etc.);
- Communication costs (postage, fax, telephone, internet access, mailing, etc.);
- Infrastructure costs (rent, electricity, etc.) of the premises where the project is being carried out;
- Office supplies;
- Photocopies.

¹⁴ See Special Conditions of the grant agreement: article 1.3 of the mono-beneficiary or article 1.4 of the multi-beneficiary contract



2.5 Calculation of the Final European Union Grant

Please refer to Article II.17 of the grant agreement for more information on the calculation of the final grant.

In short, the final grant is determined as follows:

Declared expenditures from the final statement	
MINUS	Costs that are judged ineligible during assessment of your final statement -Costs ineligible by nature or -Limited by application of the "10% rule" (article I.3.4 of the mono-beneficiary grant agreement or article I.4.4 of the multi-beneficiary grant agreement or -Limited by maximum ceilings from the Call (Equipment, Subcontracting and Indirect costs) or -Limited by maximum rates from the Call (Staff & Subsistence) or -Limited by application of articles I.2 (eligibility period) and II.14 (eligible costs) of the grant agreement. ¹⁵
= TOTAL ELIGIBLE COSTS AGREED BY THE AGENCY	
X	percentage of co-financing from the grant agreement (article I.3.3) ¹⁶
LIMITED to the maximum European Union contribution from the grant agreement (article I.3.3 or article I.4.3)	
= FINAL EUROPEAN UNION GRANT	

Be also aware of the so called "non profit" rule defined in article II.17.4 of the grant agreement. In order to avoid profit, the calculated grant will be reduced accordingly if:

Final European Union grant + other sources of financing (own funds not included) is higher than Declared expenditures from the final statement
--

Please note also that the grant may be reduced in case of weak implementation of the project. (see article I.10.6 of the mono-beneficiary grant agreement or article I.11.6 of the multi-beneficiary grant agreement)

Finally, the balance payment or recovery will be calculated as follows:

Final European Union Grant	
MINUS	Pre-financing amount(s) already received
MINUS	Interests earned on pre-financing amount(s) if pre-financing amount(s) exceed(s) 50 000 EUR (articles I.6 and II.16.4 of the grant agreement ¹⁷)
EQUALS Balance payment if positive or Recovery if negative	

¹⁵ Or article II.15 for multi-beneficiary contracts

¹⁶ or article I.4.3 of the grant agreement for multi-beneficiary contracts

¹⁷ or article I.7 and II.17 for the multi-beneficiary contracts



2.6 Checks and Audits

Please refer to Article II.19 of the grant agreement for more information on possible checks and audits.

We draw your attention to the fact that monitoring missions, ex-post controls and external audits can be carried out at any time during the implementation of the project or up to 5 years after the final payment.

The filing system of all documents relating to the project should be organised **from the start of the project** and all accounting documents should be duly classified. However, when a project is informed that it will be audited, the following measures should be taken:

- Check that all adequate supporting documents (accounting and operational material) exist and are duly classified;
- Request missing documents from the partners/concerned department as a matter of urgency;
- Check that all the supporting documents are adequate and incurred during the eligible period;
- Check that the allocation of costs is consistent within each budget category : e.g do not reallocate "staff costs" to the category "other costs" because the budget category "Staff costs" is overspent.

Please note that costs which are not duly justified by adequate supporting documents will be rejected by the Agency/auditors. Moreover, the Agency reserves its right not to accept late reception of documents (late meaning after the contractual deadlines have passed or, in case of an audit, after the transmission of the final audit report by the auditors to the Agency.)

Be aware that the most frequent reasons for the Agency/auditors to reject the costs are:

- 1) The lack of supporting documents relating to expenses claimed: missing invoices, inconsistent allocation of costs, inadequately supported expenses coming from project partners;
- 2) Ineligibility of costs: unforeseen costs for which no prior authorisation has been requested to the Agency, overhead expenditure exceeding the maximum ceiling, contribution in kind claimed, costs incurred outside the eligibility period. Costs that do not meet the criteria set out in the legal basis/guidelines or contradict with sound financial management;
- 3) The non respect of accommodation/subsistence EU rates, the wrong application of exchange rates, depreciation error, recalculation of overheads due to ineligible costs, reclassification of costs between headings/categories, dual claiming and declared expenses exceeding real costs;
- 4) Inadequate audit trail: missing papers or electronic trail that gives a step by step documented history of a transaction.

Therefore, it is worth to insist on the following:



- All supporting documents relating to the costs of the project's implementation must be gathered by the beneficiary organisation (signatory of the agreement) whether the costs relate to the own organisation, to the partners (mono beneficiary contract) / cobeneficiaries (multi beneficiary contract) or to Third Country participation;
- All invoices should state the project's reference and possibly the reference to the relating Work Programme's activity;
- The importance of having a separate bank account (or sub account that allows identification of payments made) for the project funds;
- The need to justify not only the "EU funds" part but also the "own contribution" part, as the final calculation of eligible amounts to be covered is calculated based on the total expenditure;
- The need to have a good internal control system leading to transparency. This has to be reflected in a reliable and easy audit trail, where financial data can be traced from general ledger to source documents and which constitutes a basis of objectivity;
- The need for a clear legal basis (partner's agreement) signed between the beneficiary/coordinator and each partner/co-beneficiary in order to define the regulations and rules to be applied to project expenses and the need to make an explicit reference to the EU grant agreement. Payments to the partners should be subject to the transmission of all supporting documents and check of their eligibility;



3 Reporting instructions

3.1 General rules and remarks for the Progress and Final Reports

*(For guidance and instructions on report **content** please refer to section 1.4 of the Handbook.)*

Please note the following points before you produce and submit a report to the Agency.

- You must use the appropriate report templates and financial tables provided by the Agency for the year in which you submitted your project application;
- The report is submitted on behalf of all the organisations participating in the project. The declaration page, which must be included in the Confidential Part and signed in original by the legal representative of the coordinator/beneficiary, confirms that a process of consultation and approval has been carried out throughout the partnership. Please ensure that the time to carry this out has been factored into the planning for your report production and submission;
- The report should be written in English, French or German;
- The report and the accompanying products/results should contain the LLP logo and the funding disclaimer text, as well as bear the project title, project acronym and grant agreement number;
- The report must be sent to the address specified in article I.7 of your grant agreement (article I.8 of the multi-beneficiary grant agreement, within the deadline indicated in article I.5 (article I.6 of the multibeneficiary grant agreement) and must respect the requirements for format and quantity set out in the table below;
- At Progress Reports stage, products/outputs have to be submitted, even if they are not yet finalised;
- If you refer to websites, passwords should be given for all private areas (in section 8 of the Confidential Part of the report);
- The reports should not be used as a means to signal major changes to your project (such as changes to the budget, work programme, partnership, etc). These are subject to formal amendment requests that should be submitted using the appropriate forms (see chapter about amendments). Should the case arise that a change *is* communicated in the Progress or the Final Report, please be aware that the Agency's approval of the report does not imply the Agency's approval of the changes;
- It is important to organise well the various copies of products and outcomes in order to facilitate and speed up the assessment. You are invited to provide a numbered list of products attached to the report in section 2 of the Confidential Part of the report;
- The Agency reserves the right to request further copies of reports and products. Please note that reports sent via email or fax cannot be accepted;
- Even if your Progress Report is not linked to a payment (according to Article 1.4 of the grant agreement), you are still required to submit the Financial Reporting table.



Please note that the purpose of the financial analysis is to provide beneficiaries with relevant feedback and time to rectify their mistakes. The total eligible costs will be determined only at the reception of the Final Report;

- You are strongly advised to send your original reports by registered post to ensure a record of postage. Additionally, you are advised to keep a copy of the full report, including any annexes;
- Contractually, the Progress Report covers the period from the project start until one month before the submission date stated in the grant agreement; the Final Report should cover the whole duration of the project;

	Nr of electronic copies to be submitted (on CD ROM, USB key or other electronic storage device)	Nr of paper /hard copies to be submitted
• public and confidential parts	Two electronic copies on cd, dvd or memory stick	One signed paper copy
• financial report	Two electronic copies on cd, dvd or memory stick	
• each product/result	Two electronic copies and/or or photographic images where practicable on cd, dvd or memory stick	If electronic copies or images are not practicable, provide two physical copies. Contact the Agency if products are particularly bulky or valuable.
• all supporting documents of core activities (minutes of partnership meetings, internal and external evaluation reports, testing results, etc.)	Two electronic copies on cd, dvd or memory stick	



3.2 Instructions for the Progress and Final Reports

3.2.1 Public Part

a) Further rules and remarks (Public Part only)

- All sections of the report should be completed;
- An 'Extra Heading/Section' has been included to facilitate the inclusion of additional content. However it is optional and can be deleted if not required. If you delete it, please be sure **not** to delete the section break that immediately follows it as this section break is required to maintain the integrity of the report's back cover (see next point);
- The last page of the template has been deliberately left blank to act as a 'back cover'. This is so that when the report is printed (2-sided printing) the back page appears blank rather than containing report content;
- The public part of the report is expected to be 15 to 20 pages maximum;
- It is recommended that the Executive Summary is no more than 1 page long;
- The font used for the reports should be Arial with a font size no smaller than 11;
- The report should be of a quality that allows it to be published as it is e.g. without revision or editing;
- If the chosen language for writing the report is French or German, it is recommended that a separate English translation of the Executive Summary is also submitted in order to maximise the dissemination opportunities;
- If permissions are required for the publication of any of your report content e.g. photographs that include images of people, please ensure that the necessary permissions have been obtained;
- For the electronic version, the completed report should be converted to pdf format and it is this pdf version that should be submitted;
- Please note that a late submission of the report may result in penalties or even cancellation of the grant agreement, in accordance with the General Conditions of the grant agreement;

b) Using the report template

Please note: these instructions assume a reasonable proficiency in Microsoft Word and in the Microsoft Windows environment generally

- Save your file using the following naming convention:
 - For the progress report: *2011_nnnn_PR_acronym of your project_pub*



- For the Final Report: *2011_nnnn_FR_acronym of your project_pub*
- Where *nnnn* is the first 4 numbers of your grant agreement (**after** the year value).
- The document is unprotected;
- The areas/fields where report content is required are generally set up as **text form fields** e.g. space for entering free text. These fields have a **grey background** and are further indicated by text commands such as "Insert here" and "Enter your text here". However, there are a few areas/fields where content is required but text form fields could not be employed. These are: the logo 'insertion point' on the front page and the text commands that are located in the headers and footers;
- When you click on the text form field it will allow you to enter your own content (and overwrite/replace the text command). Please ensure you do not leave the original text commands in the finished report;
- Automatic 6 point spacing (after the end of a paragraph) has been incorporated in the text form fields of the main reporting sections;
- Please keep it simple – don't let the content of your report be overwhelmed by the formatting you employ;
- Maintain the headings and order found in the template but add new headings at the end if you have content that doesn't fall under any of the pre-specified section headings;
- Don't forget to update the Table of Contents. Whether you use the 'Extra Heading/Section', delete it or add a number of new sections, you will need to update the Table of Contents to reflect this;
- Graphical elements such as photos and logos as well as diagrams, charts and tables etc may be embedded. Please ensure that you use suitably sized images and logos. GIF files should be avoided if at all possible. To achieve the best quality, it is recommended that the resolution of your graphical elements be set at a minimum of 150 dpi. If you embed logos, photos, diagrams, charts, graphs etc, take care of the dimensions and placement of the items or objects so that they do not overwhelm the page on which they sit. If you re-size a graphical element, please ensure that you keep its original proportions (e.g. use the shift key when re-sizing).

Cover page

- Insert your project's logo (this is not a text form field so please ensure you overwrite the italicised text command "*Insert your logo here*");
- Enter your project's title;
- Remove the word 'Progress' or 'Final' depending on the type of report you are preparing. Remove also the oblique stroke '/';



- In the first page footer, enter your project number in **full** (overwriting the text command '*Enter the full project number here*'). The project number can be found on the front page of your grant agreement. Where there is no project number, please delete the text command so that the footer is blank.

Inside cover page

- Enter your project information including your **full** project number and grant agreement number. The grant agreement number can be found on the front page of your grant agreement. Where there is no project number please enter 'Not Applicable';
- If this is the first submission of the report, enter the report version as '1'. If it is a subsequent version of the report e.g. because the Agency has asked you to re-submit it then enter '2' (or number as appropriate depending on the iteration concerned);
- In the header – which provides the header for the rest of the document – enter your project title (overwriting the text command '*Enter Project title here*');
- In the footer - which provides the footer for the rest of the document – enter your project number in full (overwriting the text command '*Enter the full project number here*'). Where there is no project number, please delete the text command. Please be careful **not to delete** the other fields in the footer which generate the Page Number and the Number of Pages.

Executive Summary Page

Enter your summary details. This should be no more than 1 page.

Sections 1 to 6

Enter your report content.

Section 7 – Extra Heading/Section

Additional content:

- If you have further content that doesn't fall into the pre-specified and provided sections please change 'Extra Heading/Section' to your own heading/section title and then enter the content that you have;
- If you have more than one extra section to add please ensure that any new sections start at the top of a new page and bear the same format characteristics as the pre-provided headings (Heading 1, font size 18 etc). Please ensure that section numbering is continuous and has no gaps;
- When you have finished adding your additional content – or deleted the 'Extra Heading/Section' – update the Table of Contents to reflect the final content of the document;
- Please do not delete the section break at the end of the 'Extra Heading/Section' as it ensures the integrity of the 'back cover'.



Back Cover

So that the back cover of the report appears correctly e.g. facing 'out' when printed double-sided, it may be necessary to add a blank page just before it.

- If the final page of your last section is odd-numbered the back cover will automatically face out when printed;
- If the final page of your last section is even-numbered please insert a blank page immediately between it and the back cover so that the back cover faces out when printed.

Conversion to pdf

- The Agency has a strong preference that reports be submitted in pdf format, except for the financial tables, which should be submitted in excel format. If you do not have a local capability for this conversion there are various websites where this can be achieved at no cost;
- Please be aware that such conversions may have limitations e.g. some characteristics of your word document may not be preserved by the conversion;
- When converting your document to pdf please choose the lowest level of protection e.g. so that hyperlinks can be used and content can be copy/pasted;
- If you are unable to convert your report to pdf format or if this compromises the quality of the report due to conversion limitations, the Agency will accept the report in a Microsoft Word-compatible format.

3.2.2 Confidential Part

a) Further rules and remarks (Confidential Part only)

- All sections and tables of the report template must be completed;
- Each page of the report and all copies of products and results must bear the grant agreement number;
- Save your file using the following naming convention:
 - For the Progress Report: *2011_nnnn_PR_ acronym of your project_conf*
 - For the Final Report: *2011_nnnn_FR_ acronym of your project_conf*

Where *nnnn* is the first 4 numbers of your grant agreement (**after** the year value).

b) Using the report template

The Confidential Part is not destined for publication and is a straightforward Word document with an Excel workbook in annex. In the case of the Excel workbook – the Financial Reporting table – instructions for its completion are found below (section 3.3). In the case of the Word document, all the data fields to be completed are either straightforward table cells or text form fields e.g. space for entering free text. General guidance on content can be found in section 1.4.2



c) of this Handbook. Where more specific guidance is available e.g. advice on codes and references, it can be found in the report template itself.

There are however a couple of changes that will need to be made to the template itself so that the report submitted is clearly and accurately labelled as either a progress report or a Final Report. These modifications are as follows:

Depending on whether you are submitting a Progress Report or a Final Report:

- On the cover sheet, delete the word 'Progress' or 'Final' as applicable. Also delete the oblique stroke '/';
- In the 'Declaration by the Beneficiary' in section 1 adapt as follows:
 - For a Progress Report delete the paragraph that refers to a Final Report. Delete also the text "[For Progress Report – if applicable]". When submitting a Progress Report not linked to a payment, please delete the text referring to requests of payments.
 - For a Final Report, enter the sum that you are requesting for payment and delete the paragraph that refers to a Progress Report. Delete also the text "[For Final Report]".
 - Do not forget to indicate the amount you request.



3.3 Instructions for the Financial Reporting tool

3.3 Instructions for the Financial Reporting tool

The Financial Reporting tool is the Annex 1 of the Confidential Part. You must use the relevant template between the 4 templates available on the Agency's website:

- For projects **without** third country participation:

1) Erasmus Networks / projects with monobeneficiary contracts

2) For projects with multibeneficiary contracts

- For projects **with** third country participation:

3) Erasmus Networks / projects with monobeneficiary contracts

4) For projects with multibeneficiary contracts

The most widely used template is therefore template no. 2). To keep these instructions as simple as possible, please note that they will refer to template no. 2), *with additional instructions applicable to template no. 4) in italics.*

Special instructions for templates no. 1) and 3) are given at the end of this section.

To help you complete the financial reporting tool, instructions are provided below for each of the sheets that it contains.

Please note:

- When completing this table you should refer to the administrative and financial guidelines for management and reporting that are described in this Handbook.
- Data in cells with a grey background do not have to be filled in – these cells are either auto-calculated or copied automatically from other cells.
- Do not copy/paste inside this table (especially do not drag a cell or range of cells to another location) as this may cause problems with the automatic rules and make the calculations incorrect.
- It is recommended to do a print preview before printing each sheet so that pages displaying only rows without any data are not printed (however the first page of each sheet must be printed at least even if its rows contain no data).

General rules

Save your file using the following naming convention:

- For the Progress Report : 2011_nnnn_PR_ *acronym of your project*
- For the Final Report : 2011_nnnn_FR_ *acronym of your project*



- Where *nnnn* is the first 4 numbers of your grant agreement (**after** the year value).

When entering dates, please use the format 'dd/mm/yyyy'. If you use formats other than this it may lead to errors in the table.

When selecting countries, please refer to the 'Ceilings' sheet for more details. If a country does not appear in the list, please use the code 'IN' (for ineligible countries) (*'INE' for template 4*).

The '**cost date**' is not the date of invoicing/payment but the date the expense was actually incurred. When it relates to a period rather than a single date, enter the *end* date of the period concerned.

Sheet - Summary

This sheet contains the general data of your project and, at the Final Report stage, the final financial figures.

Even if you are only at Progress Report stage, enter the general data of your project. For the "Agreed budget" data, you should only enter data in the white cells.

Please enter the amount of pre-financing payment(s) received.

At the Final Report stage, please report here also the amount of any interests generated on pre-financing payment(s) if this/those pre-financing payment(s) exceeded 50.000 EUR (please refer to article I.6 of your monobeneficiary grant agreement or article I.7 of the multibeneficiary grant agreement).

NB: European Qualification Framework projects and European Cooperation in Education and Training - Part B, grant agreements are using the multibeneficiary agreement model.

At the Progress Report stage, the content of this sheet is not fully relevant and only data from the 'Progress' sheet will be used for assessment purposes.

The column 'LLP limits applied to calculate the grant' gives you an indication of the maximum amounts that will be taken into consideration for the calculation of the final grant. These amounts are based on specific rules for Equipment, Subcontracting and Indirect costs (refer respectively to sections 2.3.3, 2.3.4 and 2.4 of the Handbook), and on the rules established for adjustments (transfers) of expenditure between headings of eligible direct costs (i.e. between staff costs and operational costs) without the need of an amendment (please refer to article I.3.4 or article I.4.3 respectively of the monobeneficiary and multibeneficiary grant agreements, and section 1.6.3 of the Handbook).

Sheet - Progress

Please enter here the period covered by the Progress report (i.e. the start and end dates) and the amount of the first pre-financing. The amount of the second pre-financing to be received will be calculated automatically (please refer to article I.4.2 or article I.5.2 respectively of the monobeneficiary and multibeneficiary grant agreements) after all other data have been entered.

According to the duration and amount of your project, a second pre-financing may not have been foreseen in the agreement: in that case, do not take the calculated "Second pre-financing to be received" into account.

Sheet – Co-beneficiaries (& Sheet Co-beneficiaries TC)



Enter into the table the name and country of each co-beneficiary in the consortium. *Do the same way for each Third Country (TC) co-beneficiary.*

This sheet gives you an overview of costs declared co-beneficiary by co-beneficiary. The costing information is automatically extracted from the sheets that follow (as you fill them) i.e. 'Staff', 'Travel and subsistence' etc. *The TC sheet gives the same overview for Third Country co-beneficiaries.*

If a co-beneficiary Px or PxTC (Third Country) has received an EU operating grant, specify the period it was received (leave blank if not applicable, or if the period of the operating grant do not overlap **at all** with the eligibility period of the present action grant project).

Sheet – Distribution of funds (& Sheet Distribution of funds TC)

Enter the date when the distribution of the EU pre-financing amount(s) among co-beneficiaries is reported.

Enter the amount(s) of EU pre-financing(s) and the date(s) of its/their receipt by P1 (the Coordinator).

Report the respective cumulative funds transferred by P1 to Px, indicating (successive) transfer date(s). *Do the same for the TC sheet, applicable to the Third Country co-beneficiaries PxTC.*

Sheet 1 –Staff (& Sheet Staff TC)

Refer also to section 2.3.1 of the present Handbook.

For each co-beneficiary, please report the number of actual days worked on the project and the total actual cost per staff category. The average daily cost is calculated automatically. As it is the real costs actually paid that must be reported, the reported costs may exceed or be below the respective ceilings by country and staff category (see Sheet Ceilings): the calculation of the eligible staff costs will be done by the Agency during the financial analysis of the report.

Report the same way actual Staff costs of Third Country co-beneficiaries.

The country information is automatically extracted from the data that you entered in the 'Co-beneficiaries' sheet / 'Co-beneficiaries TC' sheet.

Sheet 2 - Travel and subsistence (& Sheet Travel and subsistence TC)

Refer also to section 2.3.2 of the present Handbook.

Enter data in **all** of the columns (do not leave them blank). For a given co-beneficiary, please always use one line per person, per trip. Data entered here must be **only** for staff members of the co-beneficiaries taking part in the project.

The equivalence between Country codes and Country names is given in the Sheet Ceilings.

As it is the real costs actually paid by the project that must be reported, the reported costs may exceed or be below the respective ceilings for subsistence costs by country (see Sheet Ceilings): the calculation of the eligible Travel and subsistence_costs will be done by the Agency during the financial analysis of the report.

Please note that real subsistence costs refer also to lump sums paid by a co-beneficiary to its travelling staff (those lump sums being "really" paid by the project).



*Report the same way actual Travel and subsistence costs of Third Country (TC) co-beneficiaries. Data entered here must be **only** for staff members of the TC co-beneficiaries taking part in the project.*

Sheet 3 - Equipment

Refer also to section 2.3.3 of the present Handbook.

When equipment is 'rent/leased', it is not necessary to complete the columns 'depreciation rate' and 'number of months used in the project'. Indeed, the total amount to be declared is based on 'renting/leasing' invoices. On the other hand, when the equipment has been purchased it is necessary to complete these two columns.

Equipment costs of Third Country co-beneficiaries are not eligible.

Sheet 4 – Subcontracting

Refer also to section 2.3.4 of the present Handbook.

Enter data in all of the columns.

Subcontracting costs of Third Country co-beneficiaries are not eligible.

Sheet 5 – Other (& Sheet Other TC)

Refer also to section 2.3.5 of the present Handbook.

Enter data in all of the columns.

Report the same way Other_costs of Third Country co-beneficiaries.

Sheet – Revenues (& Sheet TC Revenues)

Declare here all other realised (i.e. actual) sources of financing. Own funds of the partnership do not have to be declared here.

Report the same way actual sources of financing received by Third Country co-beneficiaries.

Sheet – Comments

Write here any comments or additional information on the reported costs/revenues you consider useful for the Agency when it will conduct the financial analysis of the present report.

Sheets – Ceilings and Actions

These two sheets are for information only. No data is to be input.

Special instructions for template 1) and template 3) to be used respectively by projects **without** *or* **with** Third Country partners (**only** Erasmus Networks or projects with a monobeneficiary contract).

All above instructions are valid with the following remarks:



- In all sheets, "Co-beneficiaries" are denominated "Partners".
- Sheet Co-beneficiaries is replaced by Sheet Partners (*Co-beneficiaries TC by Partners TC*).
- In Sheet Partners, only P1 (Beneficiary) should report if it has received an EU operating grant (fully or partially) overlapping with the eligibility period of the present action grant project). *That information is not requested in the Sheet Partner TC for Third Country partners PxTC.*
- There is no Sheet Distribution of funds (*and no Sheet Distribution of funds TC*).

IMPORTANT!

All costs and all revenues of the project must be declared



Annex I Definition of Terms

The Agency: the Education, Audiovisual and Culture Executive Agency, acting under powers delegated by the Commission of the European Communities.

Amendment: a written supplementary agreement that modifies the grant agreement.

Beneficiary:

- In a mono-beneficiary grant agreement, the Beneficiary is the organisation or institution with whom the agreement for receiving a grant from the LLP is signed.
- In a multi-beneficiary grant agreement, the signatory of the grant agreement is called co-ordinator. Its partners are called the "co-beneficiaries". Co-ordinator and partners are collectively called "the beneficiaries".

Consortium: a group of partners/co-beneficiaries participating in a project.

Contracts (type of) See under Grant Agreement

Coordinator

In a multi-beneficiary grant agreement, the signatory organisation is defined in all parts of the agreement as being the coordinator.

Final Report: implementation report and financial statement covering the entire period of a project. Submitted by the deadline stipulated in the grant agreement.

Grant agreement: contractualisation of the grant award, setting out the terms and conditions and the financial rules that apply.

- **Mono-beneficiary grant agreement:** an agreement between the Executive Agency and a single beneficiary. The beneficiary, in financial terms, is the organisation or institution with whom the agreement for receiving an LLP-grant is signed.
- **Multi-beneficiary grant agreement:** an agreement between the Executive Agency and several co-beneficiaries. These co-beneficiaries have conferred powers of attorney for the purpose of the signature of the agreement to the representative of the signatory of the agreement (called "coordinator").

Legal Representative: the person legally authorised to enter into legal and financial commitments on behalf of the beneficiary/coordinator organisation.

Partner agreements: bilateral agreements made between the coordinator and co-beneficiaries (multi-beneficiary grant agreement) or the beneficiary and partners (mono-beneficiary grant agreement) to govern a number of issues that will or may arise during the life of the project (e.g. collaboration methods, tasks, financial provisions, intellectual property rights, etc.).

Progress Report: a mid-term report and financial statement on the implementation of a project submitted in accordance with the deadline indicated in article I.5 of the mono-beneficiary agreement (article I.6 of the multi-beneficiary agreement)

Project: a cooperation activity with a defined outcome developed jointly by a formal or informal grouping of organisations or institutions. For the purposes of this Handbook the term "project" is generically used for multilateral projects, networks and accompanying measures.



Project Manager: the partner responsible for the daily implementation of the project if the "project manager" ("in the application referred to as "management coordinator") is different than the signatory organisation of the contract (the "applicant organisation" in the application form).

Third country participation:

Up to 14 % of funded projects include partners from third countries which do not participate in the Lifelong Learning Programme, as defined in Article 14 of Decision 1720/2006/EC. A grant allocated to third country participants can only be used for the activities of these participants (no part of it may be used by the partners in the 31 European participating countries.) The maximum grant allowed amounts to 25.000 € Equipment and subcontracting costs are not eligible.



ANNEX II ASSESSMENT SHEET FINAL REPORT

(The assessment sheet the Agency uses for Progress Reports, has a similar structure.)

LLP FINAL REPORT ASSESSMENT SHEET

Project number: [number]-[year]-[country]-[LLP Action]

Project title:

	Score /10
1. Objectives, results and products Are all planned project outcomes / results available and are they in accordance with aims and objectives as declared in the original application or as officially amended? Please comment	0

	Score /10
2. Coherence between work programme and activities carried out to date Have the planned activities been implemented in accordance with the project's work programme as declared in the original application, or as officially amended, and have any variations been adequately justified?	0

	Score /10
3. Partnership Are there clear indications of a real and effective partnership? Are there significant changes in the partnership when compared with the application? If so, are such changes justified?	0

	Score /10
4. Management How was the project managed? Have any variation from original plans been adequately justified?	0

Score /10



5. Financial management Is the expenditure appropriate and in line with the approved Work programme? Is the expenditure appropriate and in line with the project's activities as described in the Final Report? Is the expenditure in line with the level of project's implementation ("best value for money" principle)?	0

	Score /10
6. Evaluation and/or quality assurance How well was the project's strategy for evaluation implemented? Were there significant changes compared to the original application?	0

	Score /10
7. Dissemination How effectively did the project carry out its plan for dissemination? What is the quality of the dissemination activities?	0

Supplementary information to be submitted

Supplementary information required from the project to allow for a complete Final Report analysis:

Overall evaluation

Overall comment:
Strong points:
Weak points:

Is the public part, in your opinion, ready for publication on the Executive Agency's website? Please comment on aspects such as language and quality of content of the report	

Summary scoring sheet for Final Report	
Criterion	Score
1 Objectives, results and products	0
2 Coherence between work programme and activities carried out during life of the project	0



3 Partnership	0
4 Project Management	0
5 Financial Management	0
6 Evaluation	0
7 Dissemination	0

Your global score is:	0 /10	0%
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KEY TO THE SCORING SYSTEM

Score	Definition	Description of score
0	No evidence	Fails to include a minimum amount of evidence to enable the criterion to be evaluated
1 or 2	Very weak	Addresses the criterion but with significant and/or many weaknesses
3 or 4	Weak	Addresses the criterion but with weaknesses
5 or 6	Acceptable	Addresses the criterion sufficiently
7 or 8	Good	Addresses the criterion with some aspects of high quality
9 or 10	Very good	Addresses the criterion with all aspects of high quality