

ANNEX III – FINANCIAL AND CONTRACTUAL RULES

I. RULES APPLICABLE TO BUDGET CATEGORIES BASED ON UNIT CONTRIBUTIONS

I.1 Conditions for eligibility of unit contributions

Where the grant takes the form of a unit contribution, the number of units must comply with the following conditions:

- the units must be actually used or produced in the period set out in Article I.2.2 of the Special Conditions;
- the units must be necessary for implementing the Project or produced by it;
- the number of units must be identifiable and verifiable, in particular supported by records and documentation specified in this Annex.

A. Project management costs

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the number of months per project by the unit contribution applicable as specified in Annex IV of the Agreement.
- (b) Triggering event: the event that conditions the entitlement to the grant is that the group of young people have actually implemented the project.
- (c) Supporting documents:
 - proof of project implementation will be provided in the form of a description of the undertaken activities in the final report.
- (d) Reporting:
 - the coordinator must report on the solidarity project on behalf of the group of young people and provide information on the implemented project activities in the final report;
 - participants in the project must report via an on-line questionnaire providing their feedback on their participation in the project.

B. Coaching costs

- (a) Calculation of the grant amount: the grant amount is calculated by multiplying the working days of the coach by the unit contribution applicable for the venue country concerned as specified in Annex IV of the Agreement. A cap limiting the amount awarded for coaching costs will be set at maximum 12 days per project.

- (b) Triggering event: the event that conditions the entitlement to the grant is that the group of young people have used a coach for the purposes described in Annex II of the Agreement.
- (c) Supporting documents:
 - proof of involvement of the coach in the project will be provided in the form of a description of the undertaken activities in the final report.
 - proof of the time spent on the project by the coach will be provided in the form of a time sheet including the name of the coach, the dates and the total number of days of work of the coach for the project.
- (d) Reporting: the coordinator must report on the solidarity project on behalf of the group of young people and include information on the number of days of work and the role/involvement of the coach in the project in the final report.

II. RULES APPLICABLE FOR THE BUDGET CATEGORIES BASED ON REIMBURSEMENT OF ACTUAL INCURRED COSTS

II.1. Conditions for the reimbursement of actual costs

Where the grant takes the form of a reimbursement of actual costs, the following conditions must apply:

- (a) they are incurred by the beneficiary;
- (b) they are incurred in the period set out in Article I.2.2.;
- (c) they are indicated in the estimated budget set out in Annex II or eligible following budget transfers in accordance with Article I.3.3;
- (d) they are incurred in connection with the Project as described in Annex II and are necessary for its implementation;
- (e) they are identifiable and verifiable, in particular are recorded in the beneficiary's accounting records and determined according to the applicable accounting standards of the country where the beneficiary is established and with the beneficiary's usual cost accounting practices;
- (f) they comply with the requirements of applicable tax and social legislation;
- (g) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency;
- (h) they are not covered by a unit contribution as specified in Section I of this Annex.

II.2. Calculation of actual cost

A. Exceptional costs

- (a) Calculation of the grant amount: the grant is a reimbursement of 100% of the eligible costs actually incurred for the participation of young people with fewer opportunities.
- (b) Eligible costs:
 - Costs to support the participation of young people with fewer opportunities or with special needs on equal terms as others;
- (c) Supporting documents:
 - In the case of costs to support the participation of young people with fewer opportunities: proof of payment of the related costs on the basis of invoices specifying the name and address of the body issuing the invoice, the amount and currency, and the date of the invoice;
- (d) Reporting:
 - the coordinator must report on the solidarity project on behalf of the group of young people and provide information on the type of expenses related to the participation of young people with fewer opportunities as well as the real amount of related costs incurred.

III. CONDITIONS OF ELIGIBILITY OF PROJECT ACTIVITIES

- (a) The beneficiary must ensure that the activities of the project for which grant support was awarded are eligible in accordance with the rules set out in the European Solidarity Corps Guide for each action.
- (b) Activities undertaken that are not compliant with the rules set out in the European Solidarity Corps Guide as complemented by the rules set out in this Annex must be declared ineligible by the NA and the grant amounts corresponding to the activities concerned must be reimbursed in full. The reimbursement must cover all budget categories for which a grant was awarded in relation to the activity that is declared ineligible.
- (c) The eligible minimum duration of activities specified in the European Solidarity Corps Guide is the minimum duration of the activity excluding time for travel.

IV. RULES AND CONDITIONS FOR GRANT REDUCTION FOR POOR, PARTIAL OR LATE IMPLEMENTATION

- (a) Poor, partial or late implementation of the Project may be established by the NA on the basis of the final report submitted by the beneficiary (including reports from individual participants taking part in the mobility activities).
- (b) The NA may consider also information received from any other relevant source, proving that the Project is not implemented in accordance with the contractual provisions. Other sources of information may include monitoring visits, desk checks or on the spot checks undertaken by the NA.
- (c) The final report will be assessed on the basis of quality criteria and scored on a total of maximum 100 points. If the final report scores below 50 points in total, the NA may reduce the final grant amount for organisational support on the basis of poor, partial or late implementation of the action even if all activities reported were eligible and actually took place.
- (d) The final report will be assessed in conjunction with the reports from the mobility participants, using a common set of quality criteria focusing on:
 - The extent to which the action was implemented in line with the approved grant application
 - The quality of the learning outcomes and impact on participants
 - The impact on the organisations involved
 - The quality of the practical arrangements provided in support of the activity, in terms of preparation, monitoring and support to participants during their activity
 - The quality arrangements for the recognition/validation of the learning outcomes of participants
- (e) A grant reduction based on poor, partial or late implementation may be applied to the final amount of eligible expenses for organisational support and may be of:
 - 25% if the final report scores at least 40 points and below 50 points;
 - 50% if the final report scores at least 25 points and below 40 points;
 - 75% if the final report scores below 25 points.

V. GRANT MODIFICATIONS (NOT APPLICABLE)

VI. CHECKS OF GRANT BENEFICIARY AND PROVISION OF SUPPORTING DOCUMENTS

In accordance with Article II.27 of the Annex I of the Agreement, the beneficiary may be subject to checks and audits in relation to the Agreement. Checks and audits aim at verifying whether the beneficiary managed the grant in respect of the rules set out in the Agreement, in order to establish the final grant amount to which the beneficiary is entitled.

A final report check must be performed for all Projects. In addition, the project may be subject to further desk check or on-the-spot check if the project Agreement is included in the NA sample required by the European Commission or if the NA has selected it for a targeted check based on its risk assessment.

For final report check and desk check, the beneficiary must supply to the NA copies of supporting documents specified in the section I.2, unless the NA makes a request for originals to be delivered. The NA must return original supporting documents to the beneficiary upon its analysis thereof. If the beneficiary is legally not authorised to send original documents for final report or desk checks, the beneficiary concerned may send a copy of the supporting documents instead.

The beneficiary may be requested by the NA to provide for any type of check, additional supporting documents or evidence that are typically required for another type of check, as specified in article II.27 of the General Conditions.

The different checks must include the following:

a) Final report check

The final report check is undertaken at final report stage at the NA premises in order to establish the final grant amount to which the beneficiary is entitled.

The beneficiary must submit to the National Agency a final report through Mobility Tool+ which will include the following information on grant expenditure:

- Unit contributions consumed for budget categories:
 - Travel
 - Organisational support
 - Inclusion Support
 - Pocket money / Relocation allowance

- Linguistic support
- Actual costs incurred and supporting documents specified in Section II of this Annex for budget category:
 - Exceptional costs
 - Complementary activity costs (where applicable).

b) Desk check

Desk check is an in-depth check of supporting documents at the NA premises that may be conducted at or after the final report stage.

Upon request, the beneficiary must submit to the National Agency the supporting documents for all budget categories.

c) On-the-spot checks

On-the-spot checks are performed by the NA at the premises of the beneficiary or at any other relevant premise for the execution of the Project. During on-the-spot checks, the beneficiary must make available for review by the National Agency original supporting documentation for all budget categories.

There are three types of possible on-the-spot checks:

- *On-the-spot check during project implementation*

This check is undertaken during the implementation of the Project in order for the National Agency to verify directly the reality and eligibility of all project activities and participants;

- *On-the-spot check after completion of the project*

This check is undertaken after the end of the Project and usually after the final report check.

In addition to providing all supporting documentation, the beneficiary must enable the National Agency access to the recording of project expense in the beneficiary accounts.

- *System check*

The system check is performed to establish the beneficiary's compliance with the commitments undertaken as a result of the Quality Label or Erasmus+ Volunteering accreditation.

The beneficiary must enable National Agency to verify the reality and eligibility of all project activities and participants.