



Model Grant Agreement and Financial issues in detail

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LIFE21 Grants, 7 December 2022

A practical approach

- Complementary to presentation 4 October
- Reporting: recording requirements and other rules
- Further pre-financing requests
- Interim and final payment requests
- Some costs in detail and calculation examples

NB: Applicable for beneficiaries AND affiliated entities



Reference documents from Portal

- General link : <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents> (legislation, work programme, call documents, grant agreements, guidance, templates etc)
- LIFE MGA (grant agreement) : https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/life/agr-contr/mga_life_en.pdf
- LIFE Annotated Grant Agreement (draft) : https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/aga_en.pdf
- Rules for legal entity validation and financial capacity assessment (in case of new beneficiaries): https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/common/guidance/rules-lev-lear-fca_en.pdf
- **NEW**: How to complete your financial statement <https://webgate.ec.europa.eu/funding-tenders-opportunities/pages/viewpage.action?pageId=56786969>



What to do in practice from day one (1/3)

- Understand which costs are eligible under GA: check data sheet in first pages
- Use adequate tools and procedures to track costs
 - attributing project code for costs allocation
 - Keeping record of costs being incurred in different budget categories (example excel file)
 - Ensure that time worked on the project is registered
- Keep appropriate level of cost recording
- Check and follow usual accounting practices including internal rules for reimbursement of travel and subsistence costs/ depreciation



What to do in practice from day one (2/3)

- Follow internal procurement procedures and if not available, make sure to respect ‘value for money/lowest price AND no conflict of interest’
 - private beneficiary = best value for money and no conflict of interest;
 - ‘contracting authorities/entities’/ public beneficiary = compliance with national/ European public procurement rules
- Include LIFE funding LOGO/ Natura 2000
- If applicable, enter data in land purchase database
- NB: Affiliated entities working on the project are included in the grant agreement as ‘affiliated entities’ & will declare their costs in their own financial statements
- *Consult ‘Financial reporting checklist for beneficiaries’ – COMING UP SOON!*



What to do in practice from day one (3/3)

The Financial reporting checklist for beneficiaries: an additional guidance

LIFE projects 2021-2027 - Financial Reporting Checklist for beneficiaries			
Items/Procedures	Rules to comply with	Reference document: Model Grant Agreement (MGA) - Annotated Grant Agreement (AGA)	Comments
I. Costs items		Article 6 MGA+Article 6.2 Specific eligibility conditions for each budget category	
A. Personnel costs	Type of personnel category (i.e. employee or equivalent/natural persons with direct contract/seconded persons/SME owner & natural person beneficiary/volunteer/LIFE OG NGO personnel) and the related conditions/calculation basis	Article 6.2.A MGA & General > Article 6.2.A Personnel costs AGA	Check your grant agreement to see what is applicable.
	The general eligibility conditions for actual costs/unit costs, whatever applicable depending on the type of personnel category.	Article 6.1 MGA	Check your grant agreement to see what is applicable.
	<p><u>Time records/proper Time Registration :</u></p> <p>Time worked for the beneficiary under the action must be supported by declarations signed monthly by the person and their supervisor, unless another reliable time-record system is in place;</p>	Article 20 - record-keeping MGA & General > Article 20 - record-keeping AGA	Ensure that time registration is put in place since the granting authority may only accept alternative evidence supporting the time worked for the action declared, if it considers that it offers an adequate level of assurance.



Record Keeping (Art. 20) (1/3)

Keep records and other supporting documents to prove the proper implementation of the action/ incurrence of costs for period as defined in data sheet

- **for actual costs:** adequate records and supporting documents to prove costs declared (such as contracts, subcontracts, invoices and accounting records).
The beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents.
- **for flat rate : not *per se* but** adequate records and supporting documents to prove the eligibility of the costs or contributions to which the flat-rate is applied
- **for unit costs :** adequate records and supporting documents to prove the number of units declared
- **for personnel costs:** adequate time registration
Personnel costs must be charged in the relevant sub-costs category



Record Keeping (Art. 20) (2/3)

Method A: Monthly registration with template available in the Portal

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: Time declaration: V1.1 – 01.05.2022

EU GRANTS DECLARATION OF DAYS WORKED ON A PROJECT			YEAR:	
<i>To be filled in and uploaded as deliverable in the Funding & Tenders Portal Grant Management System, at the due date foreseen in the system.</i>				
Project acronym:		Project number:		
Participant name:				
Name of the person:		Type of personnel: (employee/ natural person under direct contract/ seconded/ other)		
Month	Days worked in the action ¹ (e.g.15, 7,5, 0,5)	Work Packages worked on (e.g. WP2; WP5)	Date and signature of the person	Name, date and signature of the supervisor
January			Signature: Date:	Name: Signature: Date:



Record Keeping (Art. 20) (3/3)

Method B: another reliable time-recording system is in place

- A secure time registration system (timesheets) should contain the minimum data required.
 - The timesheets for each person carrying out work for the action should indicate the time spent on the specific project and match with the accounting records and supporting documentation.
 - Time sheets should be validated/ signed in a timely manner by the staff member and the superior (e.g. once a month).
 - It is not mandatory to use the template from the funding and tender portal, however the information required in that form should be recorded.

In both methods the corresponding supporting documentation is: employment contracts, collective labor agreements, applicable national law on taxes, labor and social security contributions, pay slips, time records and bank statements showing salary payments

ONLY costs for personnel assigned to the action (i.e. working for the project according to internal written instructions, organisation chart or other documented management decision) can be eligible.

The allocation of time to work packages can be done either through time declaration or through a specific allocation methodology.



Reporting (Art 21) (1/5)

Periodic Reporting

- Provision of technical reports and financial statements (including the ‘use of resources’) connected to payment claims
- In accordance with the schedule and modalities set out in the Data Sheet (due 60 days after the end of the reporting period)
- The technical part includes an overview of the action implementation. It must be prepared using the **template available in the Portal**
- **System will open reporting session when reporting period is due**



Reporting (Art 21) (2/5)

Further pre-financing (e.g. SAP, CET)

- NO financial report requested: ONLY a statement on the **use of the previous pre-financing payment** - template available in the Portal.
- if statement on use of previous pre-financing payment shows that less than 70% was used, the amount will be reduced by the difference between the 70% threshold and the amount used.
=> Convert costs incurred into EU funding (apply funding rate in GA) when indicating amount consumed – see example below in the blue case scenarios

Co-funding rate A:	60%
GA costs B:	1.200.000,00 €
GA EU Funding: $C = B * A$:	720.000,00 €
PF1 - 30% of GA: $D = B * 0,3$:	216.000,00 €
70% minimum consumption: $E = D * 0,7$:	151.200,00 €
PF2: 50% of GA: $F = C * 0,5$:	360.000,00 €

PF2: Case scenario 1	
Incured costs G:	320.000,00 €
Incured EU funding: $H = G * A$:	192.000,00 €
As $H > E$ - Full FPF can be paid	360.000,00 €

PF2: Case scenario 2	
Incured costs I:	160.000,00 €
Incured EU funding: $J = I * A$:	96.000,00 €
As $J < E$ - Full FPF can NOT be paid	Diference to be deducted
Diference - $K = J - E$	55.200,00 €
FPF to be paid - $L = F - K$	304.800,00 €



Reporting (Art 21) (3/5)

Interim (e.g. SIP/SNAP not CET/SAPs) & final payments (all actions)

- the **financial statements** (individual and consolidated; for all beneficiaries/affiliated entities) => including costs/revenues of the action
- **Use of resources**
 - => Report major cost items when declared purchase costs are higher than 15% of personnel costs
 - => Starting with the most expensive cost items, down to the 15% threshold
- the certificates on the financial statements (**CFS**) if **EU funding requested \geq EUR 500,000 per beneficiary and affiliated entity** (Article 24.2 and Data Sheet, Point 4.3)
NB: **Always** using the template published on the Portal and for SIP/SNAP actions CFS must be submitted once threshold is reached



Template Use of Resources (interim and final payments)

Project: [insert number] — [insert acronym] — [insert call identifier]

EU Grants: Periodic report/Additional prefinancing report/Beneficiary termination report (LIFE): V1.0 – 01.04.2022

REPORT ON THE USE OF RESOURCES — COST EXPLANATIONS

The report must be filled out directly on the Portal Financial Statements screen.

GRANT	
Project number:	[project number]

Purchase costs (travel and subsistence, equipment and other goods works and services)

Details for major cost items (needed if costs declared under 'purchase costs' are higher than 15% of the claimed personnel costs).

Start with the most expensive cost items, down to the 15% threshold.

Travel and subsistence

Cost item name	Category	WP(s)	Foreseen in Annex 1?	Explanations (if not in Annex 1)	Costs (EUR)
[insert name]	Travel and Subsistence	[insert WP numbers]	[YES] [NO]	[insert comment]	[insert amount]
Total					[insert amount]



https://ec.europa.eu/info/funding-tenders/opportunities/docs/2021-2027/life/temp-form/report/periodic-report_life_en.pdf



Use of Resources: examples

Personnel <u>costs</u> : A	200.000,00 €
Threshold for reporting: $B = A * 15\%$	30.000,00 €

Scenario 1

Purchase <u>costs</u> claimed: C (travel and subsistence, equipment and other goods works and services)	10.000,00 €
As $C < B$: no costs must be reported in Use of Resources section	

Scenario 2

Purchase <u>costs</u> claimed: D (travel and subsistence, equipment and other goods works and services)	50.000,00 €
As $D > B$: costs must be reported in Use of Resources section	
What costs? Reply: Diference between claimed costs and 15% threshold: $E = D - B$:	20.000,00 €

Details for major cost items. Start with the most expensive cost items, down to the 15% threshold

Example

Audit report	9.000,00 €
Dissemination campaign	7.000,00 €
Conference catering and rental of venue	5.000,00 €
Sub-total: F	21.000,00 €

As $F > E$ no more items need to be indicated in Use of Resources



Reporting (Art 21) (4/5)

- **Currency** for reporting: euro
 - if accountancy of beneficiary is in euro, need to convert other currency incurred costs to euro according to usual accounting practices
 - if accountancy of beneficiary in other than euro, then costs must be converted at the average of the daily exchange rates published in the C series of the Official Journal of the European Union (ECB website), calculated over the corresponding reporting period.

https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

- **Language** for reporting: language of the Agreement = English
=> (if compliant with eligibility criteria Article 6.1, translation costs are eligible)

NB: Financial statements are signed in the system



Reporting (Art 21) (5/5)

Example conversion from national currency, DKK, versus into euro for reporting period 1/1/2022 – 30/11/2022

Danish krone (DKK)



2 December 2022
DKK 1 = EUR 0.134457 +0.000000(+0.0%)

Change from 3 January 2022 to 30 November 2022

Min (1 August 2022)	Max (21 September 2022)	Average
0.134306	0.134474	0.134413

Select: DKK vs. EUR

Period: 01/01/2022 30/11/2022

Zoom: 1m 6m 1y 10y all

Costs incurred: A	20.000,00 DKK
Average daily exchange rate for reporting period: B	0,134413
Costs to declare in Euro: C = A * B	2.688,26 €



Direct Costs (Art. 6.2)

- **Direct costs** are costs directly related to the action and necessary for its implementation (costs indirectly related via cost drivers are not to be included under the direct actual costs)
 - **A. Personnel costs**
(A.1 Employees, A.2 Natural persons under direct contract, A.3 Seconded persons, A.4 SME owners and natural person beneficiaries, A.5 Volunteers)
 - **B. Subcontracting costs**
 - **C. Purchase costs**
(C.1 Travel and subsistence, C.2 Equipment, C.3 Other goods, works and services)
 - **D. Other cost categories**
(D.1 Financial support to third parties, D.2 Land purchase)



A. personnel costs (1/13)

A1 Costs for employees or equivalent

- For your personnel working under an **employment contract** (or equivalent appointing act, e.g. for civil servants)
- NB: Staff provided by a **temporary work agency NOT eligible under A.1, but can be charged under B. 'Subcontracting' or C.3 'Other goods, works and services'**
- Supplementary payments: eligible if
 - usual remuneration practices and paid in consistent manner whenever the same kind of work or expertise is required
 - the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used
 - Standard case 1A: employee whose remuneration is fixed (same remuneration regardless if they are involved or not in specific projects)



A. personnel costs (2/13)

A1 Costs for employees or equivalent

What?	What not?
Fixed salary	Remuneration which has not been an actual cost for the beneficiary (e.g. salaries reimbursed by a social security scheme or a private insurance)
Fixed complements (e.g. family allowance and contributions to medical insurance schemes)	Payments of dividends to employees
Variable complements (objective conditions, not only paid for actions supported by EU grants)	Variable complements based on commercial targets or fund raising target
Social security contributions	Arbitrary bonuses
Taxes linked to the remuneration as per from national law or the employment contract/appointing act	Bonuses that depend on budget availability on the specific project
End-of-contract indemnities (on top of the total costs; pro-rata: time of employment during the action/total time of employment)	
Others (beneficiary's usual practices)	



A. personnel costs (3/13)

A2 Natural persons & A3 Seconded persons

What?	What not?
Self-employed natural persons who work on the action for the beneficiary under conditions similar to those of an employee, but not under an employment contract (e.g. in-house consultants)	Cost of persons who are employees of the beneficiary, (co)owners of the beneficiary (if the beneficiary is an SME)
Persons who are seconded by a third party against payment	Staff provided by a temporary work agency



A. personnel costs (4/13)

A2 Natural persons & A3 Seconded persons

Eligibility conditions

- work under conditions similar to those of an employee
- remuneration based on working time, rather than on delivering specific outputs/products.
- result of the work belongs to the beneficiary (unless agreed otherwise)
- calculated on the basis of the actual contract/secondment rate
- cost not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary
- only remuneration of the person and related eligible taxes.



A. personnel costs (5/13)

A2 Natural persons & A3 Seconded persons

Acceptable

The project leader decides the tasks and timing of the work and instructs the person accordingly

The person works physically at the beneficiary's premises, following a time schedule similar to that of the employees

Not acceptable

The beneficiary's project leader and the person meet only once a month or irregularly, for updates on the state of play of the entrusted work.

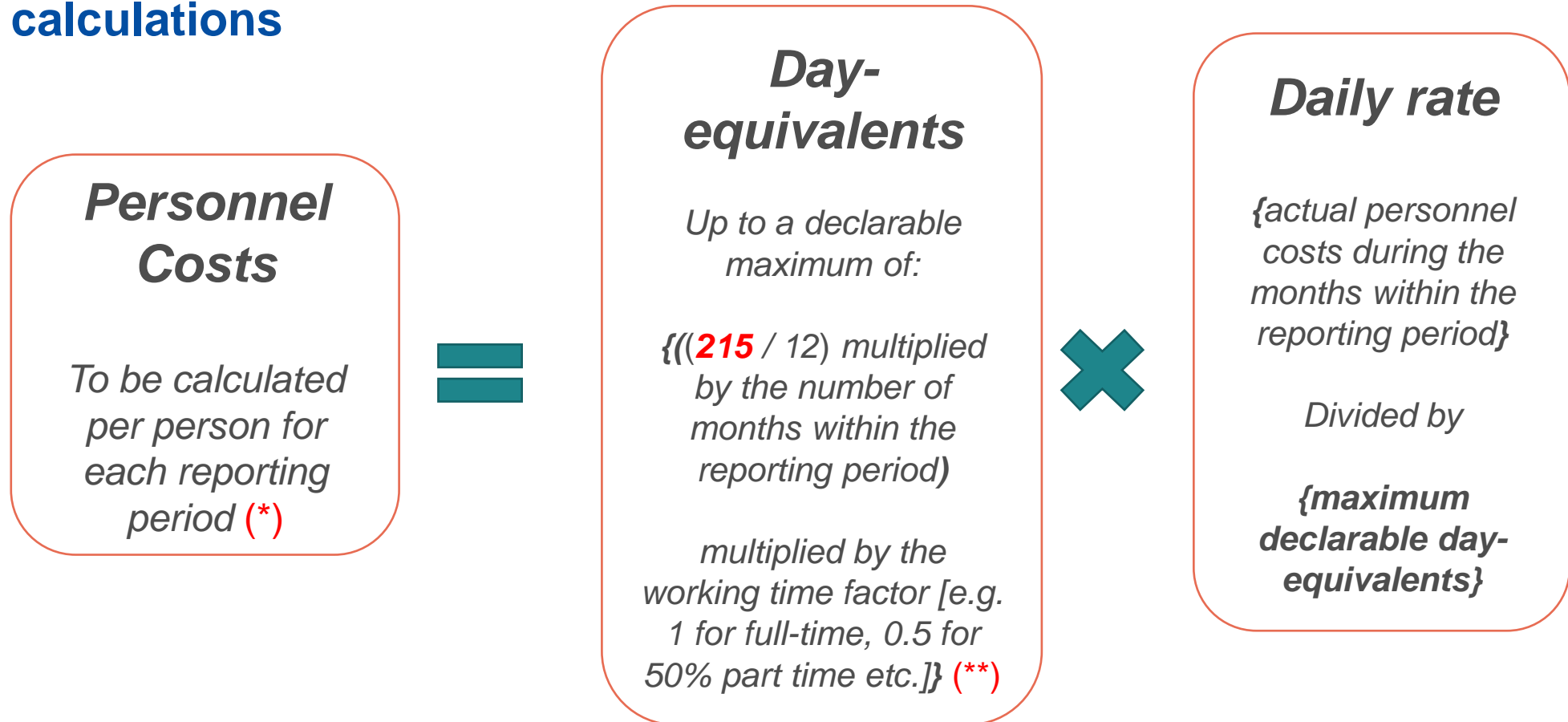
The entity authorises up to two days of teleworking per week but the person works only one day at the beneficiary's premises.

The person works from a country other than the one where the beneficiary is located while all employees work at the beneficiary's country.



A. personnel costs (6/13)

A1 - calculations



(*) For simplification reasons it is preferable to calculate the project cost per employee over the entire project period instead of per reporting period (to avoid incomplete years).

(**) Result to be rounded up or down to the nearest half day-equivalent

NB: pro-rata of 215 days (e.g. 107,5 for 6 months/ 322,5 for 18 months)



A. personnel costs (7/13)

Example calculation daily rate – A1: *Reporting period: 01/12/2021 - 31/05/2023 (18 months)*

A) *PERSON A - 50% part-time 18 months with a cost of EUR 45,000*

B) *PERSON B - full-time 12 months with a cost of EUR 40,000*

Maximum declarable day-equivalents:

A) 6 months of part-time: $((215 / 12) \times 18) \times 0.5 = 161.25$

B) 12 months full-time: $((215 / 12) \times 12) \times 1 = 215$

Daily rate

A) Total cost / day-equivalents = $45,000 / 161.25 = 279.07$ EUR/ day

B) Total cost / day-equivalents = $40,000 / 215 = 186.05$ EUR/ day



A. personnel costs (8/13)

CINEA table to assist on calculation of personnel costs: Coming soon!

Name/Role or internal reference of Employee (A1)	Max. declarable day-equivalents	Nr of months during which the person is employed during the reporting period	Working time factor (1= full time, 0,5=half time, etc...)	actual personnel costs during the months within the reporting period	Daily rate	Day equivalents worked for the project (see timesheets)	Personnel Cost for the reporting period
PERSON A	161,25	18,0	0,5	45.000,00 €	279,07	161,5	45.069,77 €
PERSON B	215,00	12,0	1	40.000,00 €	186,05	215	40.000,00 €



A. personnel costs (9/13)

Calculation costs A2/A3 type of staff :

Daily rate x nr of day equivalents worked on action

- If hourly rate is mentioned in contract, then *daily rate is hourly rate x 8*
- If fixed amount and nr of days are in contract, then *daily rate = fixed amount/nr of days*
- If contract states a fixed amount for the work, but does not specify the number of days

Example : 6 months' contract, 60 day-equivalents worked further to time records, monthly payment of EUR 3000

Personnel costs for the action = 60 x daily rate

Daily rate = annual personnel costs / pro-rata of 215
= (3,000 € x 6 months) / ((215 /12 months) x 6 months)
= 18,000 € / (215 x 0,5)
= 18,000 € / 107.5 days
= 167.44 EUR/day

Total Personnel costs for this person = 60 x 167. 44 = 10,046.40 EUR.



A. personnel costs (10/13)

A4 SME Owners or natural persons (Sole Traders) (owners/sole traders not receiving a salary)

What?	What not?
Persons who are directly owners or co-owners (regardless of their percentage of ownership) of the beneficiary, if the beneficiary is an SME and the person is not an employee of the beneficiary.	SME owners who receive a salary (registered as such in the accounts of the SME) cannot declare personnel costs under this budget category, unless they can show that this salary corresponds exclusively to the management of the SME (and is therefore not linked to the action).
Beneficiaries who are natural persons; i.e. who signed the Grant Agreement on her/his own name as individuals, not on behalf of another legal person	



A. personnel costs (11/13)

A4 SME Owners or natural persons (Sole Traders) (owners/sole traders not receiving a salary)

Eligibility conditions:

- Fulfil the general conditions for unit costs to be eligible (see Art. 6.1(b))
- Be declared for an SME owner/natural person beneficiary, who works on the action but does not receive a salary.

Personnel costs in the form of unit costs (Annex 2a):

Unit cost: (EUR 5 080 / 18 days = 282,22 EUR/day) x (country-specific correction coefficient of the country where the beneficiary is established)

Example: Austrian SME owner not receiving a salary working 6 days in reporting period

- Total to be declared = days worked x unit cost
= 6 x [(EUR 5 080 / 18 days = 282,22 EUR/day) x (106,3%)]
= 1,800.00 EUR



A. personnel costs (12/13)

A5 Volunteers: persons who freely work for an organisation, on a non-compulsory basis and without being paid

Eligibility conditions:

- Per action, maximum **50% of the total project costs** and contributions estimated in the proposal
- Per action, maximum EU contribution cannot be higher than the **total eligible costs without volunteers.**
- **At reporting:** May not exceed the maximum amount for volunteers for each beneficiary set out in the budget (Annex 2)



A. personnel costs (13/13)

Volunteer costs in the form of unit costs (Annex 2a)

- Calculation: Amount per unit (daily rate depending on country)
X
day-equivalents worked on the action
(rounded up or down to the nearest half-day)*

Example: Volunteer working half time for 3 months in Belgium

- Daily rate: 131.00 EUR
- Day-equivalents worked in action: $215 / 12 \times 3 \times 0.5 = 26.87$
- **Total to declare = 131.00 x 26.87 = 3,520.62 EUR**

*If a use per hour is necessary, the daily rate must be converted as follows: hourly rate = daily rate / 8



B. Subcontracting

Subcontracting vs Services

Subcontracts	Contracts/ Purchases
Concern the implementation of 'action tasks', i.e. parts or tasks of the project have been outsourced	Concern travels, equipment and good or services that are necessary for the beneficiaries to implement the work (they can range from big equipment to petty goods)

Examples

Subcontracts	Contracts/ Purchases
Silvicultural work on senescence islands and habitat trees	Audit certificate on the financial statements (CFS)
Specialized forestry actions	Translation of documents
Analysis of specific target group needs	Publication of brochures
Monitoring of fire indicator species	Legal services
Restoration activities	Organisation of the rooms and catering for a meeting



C. Purchase Costs (1/5)

C2 Equipment (Equipment/ Infrastructure/ Other assets)

- **Depreciation of costs** (*CET, PREP, TA-PP + listed equipment of SAP/SIP/SNAP/TA-CAP*)
 - **Actually incurred** costs and written off in accordance with international accounting standards and the beneficiary's usual accounting practices
 - Only **portion of the costs that corresponds to the rate of actual use** for the action
 - **Costs for renting or leasing** if they do not exceed the depreciation costs of similar equipment (financing fees are NOT eligible)



C. Purchase Costs (2/5)

C2 Equipment Depreciation costs

What?	What not?
<p>Depreciation costs of equipment, infrastructure or other <u>assets for the proportion</u> used for the action</p>	<p>If the beneficiary's usual practice is to consider durable equipment costs (or some of them) as indirect costs, these can NOT be declared as direct costs, but are covered by the flat rate for indirect costs (see Art. 6.2.E).</p>
<p>In some cases (e.g. infrastructure), it may also include the costs necessary to ensure that the asset is ready for its intended use (e.g. site preparation, delivery and handling, installation, etc).</p>	



C. Purchase Costs (3/5)

C2 Equipment Depreciation costs

Calculation:

- purchase price of equipment must be allocated on a systematic basis over its useful life
- depreciated equipment costs \leq equipment purchase price
- depreciation for periods before the purchase of the equipment can NOT be charged
- depreciation costs must be calculated for each reporting period.



C. Purchase Costs (4/5)

C2 Equipment (Equipment/Infrastructure/Other assets):

- **Full cost** (Annex 5 – Durability) **SAP, SNAP, SIP, TA-CAP**
 - Purchased/developed **specifically for the action**
 - Commitment to use and maintain it after the end of the action, for activities pursuing the action's objectives. For **at least five years after the end of the action or until the end of its economic lifespan** (i.e. fully depreciated) — whichever is earlier.'
 - Cost is **recorded under a fixed asset account** of the beneficiary in compliance with **international accounting standards** and the beneficiary's **usual cost accounting practices**.



C. Purchase Costs (5/5)

C3 Other goods, works and services:

What?	What not?
Costs for consumables and supplies specific to action	If it is the beneficiary's usual accounting practice to consider some of these costs (or all of them) as indirect costs, they cannot be declared as direct costs.
Communication and dissemination costs	
Costs related to intellectual property rights (IPR)	
Costs for CFS (financial audits) and certificates on methodology (CoMUC)	
Costs for financial guarantees only if required by the granting authority	



D. Other Cost Categories (1/2)

D1 Financial Support to third parties :

Reporting these costs in the technical report following the conditions as set out in Annex I. If conditions are not foreseen (in some cases it is a specific deliverable), amendment is necessary otherwise costs risk to be ineligible. **Other goods, works and services**

- Grants :
 - Maximum amount per third party as per Data Sheet (see Point 3)
 - Different types of activity that qualify for financial support (closed list) + the persons or categories of persons that will be supported
 - The criteria for calculating the exact amount of the financial support
 - The criteria and procedures for giving financial support
- Prizes :
 - Eligibility & Award Criteria
 - Amount of the prize
 - Payment arrangements



Support in kind is NOT considered financial support.



D. Other Cost Categories (2/2)

Template in reporting Financial Support to third parties :

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FINANCIAL SUPPORT TO THIRD PARTIES

Sub-calls
Continuous Reporting (Financial Support to Third Parties screen) — List the FSTP calls launched under the project.

Call Reference	Call Budget	Budget Awarded	Call Publication Date	URL to F&T Portal (if applicable)	Call Status	Number of Received Proposals	Number of Awarded Proposals
[insert call reference number]	[insert amount]	[insert amount]	[insert dd/mm/yyyy]	[insert URL]	[Planned] [Open] [Awarding on-going] [Awarding done]	[insert number]	[insert number]

Awarded recipients
Continuous Reporting (Financial Support to Third Parties screen) — List the recipients of financial support to third parties.

Call Reference	PIC	Legal Name	Organisation Type	Country	Funding Awarded	Funding Paid	Comment
[insert call reference number]	[insert recipient PIC (if any)]	[insert recipient name]	[public]/[private]	[insert country]	[insert amount]	[insert amount]	[insert comments]



General Eligibility Conditions (Art 6.1) – 1/3

- Incurred by the beneficiary or its affiliated entities
- Incurred during duration of the project - except final reporting (Art 21)
- Belong to budget categories eligible under the grant agreement (Art 6.2)
- Incurred in connection with the action as described in Annex 1 and necessary for its implementation
- Identifiable and verifiable (recorded in the accounts of the beneficiary)
- Compliant with applicable national law on taxes, labour and social security
- reasonable, justified and must comply with the principle of sound financial management



General Eligibility Conditions (Art 6.1) - 2/3

Actually incurred by beneficiaries and affiliated entities:

- real (not estimated or budgeted)
- definitively and genuinely borne/paid by the beneficiary/ affiliated entity (not by any other entity)
- Related supporting documents
- In the accounting records of the beneficiary/ affiliated entity and compliant with the applicable accounting rules/beneficiary's practices



General Eligibility Conditions (Art 6.1) - 3/3

Incurred **during the action duration**: see Article 4 and Data Sheet, Point 1.

The date that counts is not when cost was ordered, invoiced or paid but:

- For services, date when the service was provided
- For works, date when the works were carried out and
- For deliverables, when the products were delivered

Costs invoiced/paid after the end date ELIGIBLE ONLY IF:

1. debt **existed** already **during the action duration**
2. cost **known at the moment of the final report**

Exception: costs relating to the submission of the final report (Art. 21):

- CFS required by the GA
- project review carried out by the granting authority before the submission of the final report
- cost of personnel necessary to prepare the final report.

NOT ELIGIBLE: any activity foreseen in the Annex 1 but undertaken after the end date of the action



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