



GUIDE FOR APPLICANTS GRANTS PROGRAMME 2020-2021 TRAINING IN CONFERENCE INTERPRETING

The aim of this guide is to give a summary of the main points of the administrative and financial processes governing grants from the Directorate-General for Logistics and Interpretation for Conferences of the European Parliament (DG LINC - EP).

This guide is based on the rules and conditions contained in the legal documents relating to the grant programme (in particular the Work Programme and the Grant Agreement). The guide for applicants does not in itself have legal value, and thus does not supersede those documents. Only the provisions of the signed grant agreement are binding.

Before completing the application form, applicants are advised to read carefully the **call for proposals** and the accompanying documents on the website:

<http://www.europarl.europa.eu/interpretation/en/universities/financial-assistance.html>

The **grant agreement models** give detailed information on the rights and obligations of the beneficiary of the grant.

I. FINANCIAL PROVISIONS FOR THE MANAGEMENT OF GRANTS

The European Parliament has introduced since the academic year 2014-2015 some important changes in financial modalities of the grants management:

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- Co-financing rate of maximum 75 % of eligible costs for all selected projects¹
- One single pre-financing payment of 70 %

II. GENERAL PRINCIPLES

- The grants aim to co-finance the action proposed by the applicant (hereafter called “beneficiary”). The grant may not finance the entire costs of the action. Only costs that are directly related to the project are eligible.
- The European Parliament’s **co-financing level** of actions under this scheme is up to **75% of total eligible costs**. The beneficiary must find ways of financing the remaining expenditures that will not be covered by a grant.
- The grant **may not give rise to profit under any circumstances**. In other words, the beneficiary’s revenues cannot exceed its expenditure. If the total amount of pre-financing paid by the European Parliament exceeds the final amount of the grant determined at the end of the project (according to the Final Financial Report), any amount paid in excess by the European Parliament has to be paid back by the beneficiary (recovery order).

¹ Subject to a possible reduction should the income of the action be greater than the expenditure as grants may not have the purpose of generating a profit to the beneficiary.

III. CALCULATION OF GRANT AWARD AND FINAL GRANT

The Evaluation Committee, composed of at least three independent officials, evaluates if the grant proposals meet the exclusion, eligibility, selection and award criteria as defined in the call for proposals.

The Evaluation Committee checks at the same time whether the budget is appropriate and reasonable for achieving the objectives of the projects. Within this process some items of the applicant's proposed budget might not be taken into consideration for co-financing (= non eligible costs), if they are considered excessive or not necessary to implement the project. At the end of this analysis, an approved **draft eligible budget** for the project is drawn up. The **co-funding rate (75%)** only refers to that eligible budget and **not to the total budget** of the action.

The Evaluation Committee issues its recommendations on the award and the maximum amount of each grant to the Authorising Officer who finally takes the award decision.

The final **amount of the grant** is only established **at the end of the action**, after analysis and approval of the **final reports**. The EP calculates this definitive grant amount by applying the **co-financing percentage** specified in the grant agreement to the **eligible/approved final expenditure** of the project, hereby ensuring that the **non profit-rule** is respected.

The final amount of the grant can never exceed the maximum amount set in the grant agreement.

Example 1:

A post-graduate course has a total proposed/estimated budget of EUR 75.000. As the Evaluation Committee considered some costs are ineligible, the total approved (eligible) budget retained for the Grant Agreement is EUR 65.000. As a result the grant awarded amounts to EUR 48.750 (= 75% of 65.000).

If the final eligible expenditure at the end of the action amounts to EUR 50.000, the final maximum amount of the grant will be 75% of EUR 50.000 = EUR 37.500, provided that the total income of the action does not exceed the expenditure.

III. BUDGETING OF THE APPLICANT'S ACTION

1. General

Calculations should be transparent (units x costs/unit) and be based on actual costs in the beneficiary's accounting system.

The budget should cover the entire period of the grant. A grant may be awarded for an action which has already begun only when the applicant can demonstrate the need to start the action before the agreement is signed. In such cases, expenditure eligible for financing may not have been incurred prior to the date of submission of the grant application. (Financial Regulation Art. 193)

The **budget forecast** in the application form should be always completed in **euros**.

For conversion to EUR please consult the web-site:

<http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

All costs related to the project should be reflected in the budget, even if **they do not have to be sustained by the European Parliament**. For example, if the student mobility of a university is financed by 'Foundation X', it should be mentioned in the forecast budget as expenditure and income as well. These costs will not be taken into consideration for co-financing but demonstrate other co-financing sources.

Expenditure and income should be in balance. The grant may not generate any **profit**.

Each budget line should show a **detailed breakdown of the planned expenditure**.

For example, it is not enough to put €2.690 in the category "teaching", but the costs should be detailed in the following way:

- teacher A – 24 hours – €20/hour = €480

- teacher B – 30 hours – € 32/hour = € 960
- teacher C – 50 hours – € 25/hour = € 1.250

The staff costs should be calculated per hour.

IMPORTANT:

Please inform us immediately (by email) if any changes occur after the submission of the application. If your application is successful, they may be taken into consideration before the signature of the grant agreement.

The same applies if changes occur after the **agreement** has been signed by both parties. The European Parliament will then examine whether the changes require an **amendment** to the agreement (see chapter V in this guide).

If, in order to carry out the action, the beneficiary has to **conclude contracts** which constitute costs of the action under an item of eligible direct costs in the estimated budget, the beneficiary will award the contract to the bid offering best value for money and take care to avoid any conflict of interests. Where the value of the contract exceeds EUR 60.000, a provision may be included in the "Other Special Conditions" of the grant agreement for specific rules of procedure to apply based on those contained in the Financial Regulation with due regard to the estimated value of the contract, the relative size of the Union contribution and the management risk (cfr. Article II.9 and II.10 of the grant agreement model).

2. Eligible costs

Costs incurred are eligible if they:

- are **directly connected** with the project and are provided for in the approved budget;
- are **necessary** for the implementation of the project;
- are reasonable and justified and comply with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- have been **generated during the lifetime of the project** as defined in the grant agreement;
- **have actually been incurred** by the beneficiary and recorded in his accounts or tax documents and are identifiable and verifiable.

For detailed information on eligible costs please see Article II.19 of the model grant agreement.

3. Non-eligible costs

Please note that the following costs are **not considered eligible** (refer to Article II.19.4 of the grant agreement).

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it;
- costs declared by the beneficiary and covered by another action or work programme receiving a European Union grant;
- contribution in kind;
- excessive or reckless expenditure;
- costs already supported by another project which is also benefitting from financial EU support

For detailed information on ineligible costs please see Article II.19.4 of the model grant agreement.

4. Third parties

If an applicant is supported by other parties which need to be co-financed, the legal entities of the third parties as well as their respective budget incomes and expenditures should be mentioned in the application form. The payments of the EU institution(s) will be made to the grant beneficiary who will redistribute the amounts to the other parties according to their respective contribution to the action.

a) For **minor contributions by third parties** (e.g. small exchanges between other universities and applicant) the **standard agreement model** will be used.

b) If the **third parties play a major part in the action**, the European Parliament may require the signature of a multi-beneficiary grant agreement. In this case, the applicant, acting mainly as a coordinator, will ask third parties for a mandate to act on behalf of the "co-beneficiaries".

5. Information on the budget chapters of expenditure (Section III of the application form)

a) Staff costs assigned to the operation (table 4.A of the application form)

Staff costs refer to **any payment** made to an internal or external person for the work directly connected to this project. Please split the staff costs into **categories** such as internal/external staff, teachers, jury members, speakers.

The hours spent for preparing the courses are eligible as well, within the limit of **maximum 1 hour of preparation for each hour for teaching**. These hours need to be reported separately.

The normal remuneration policy of the applicant should be applied to this project.

Permanent, temporary or contractual staff of the European institutions may under no circumstances be included in the staff costs of the project.

The staff expenditure on **coordination and administration** for the post-graduate course should be kept low in comparison with the teaching staff costs. In this chapter report only costs directly related to the course such as managing the timetable of the course, planning tests and exams, organising study visits, mobility schemes, virtual classes and liaising with the European Parliament. Accountancy work and occasional secretarial activities should be reported under general costs.

In the budget the hourly rates multiplied by the number of hours per person should be marked.

To calculate the **hourly rate** of the staff **on the project** please apply following principle:

Hourly rate = actual gross salary per year (including social charges, pension contribution etc.) divided by total "workable" days/per year x hours/day.

The workable days are the calendar days less weekends, less annual holidays, less bank holidays etc.

Please use the Excel table annexed to the call for proposals to calculate the hourly rates. Once the hourly rate is calculated they should be multiplied by the hours worked on the project and indicated in the table 4.A. The individual calculations must be attached to the application form in Annex VI.

For reporting to the European Parliament, the beneficiary needs to keep track of the number of hours each person/staff member worked on the project.

For that reason **timesheets** (on an hourly basis) must be maintained during the course of the project showing the names of those involved, their roles, the number of hours per month.

These sheets should be validated by the signature of the persons involved and counter-signed by the responsible person at the university. They have to be provided when requested by the European Parliament at any time during the project. A timesheet template is provided as an annex to this call for proposals.

b) Travel and subsistence expenses for staff/persons involved in the operation (table 4.B of the application form)

Only travel expenses and subsistence costs directly related to the project and clearly identifiable activities arising from the project will be considered eligible. Please indicate therefore clearly the person travelling, place of departure and arrival, days of stay, cost of the journey etc. Travel and subsistence costs are based on the actual costs incurred. The most economical fares (Apex tickets, economy class etc.) must be used.

Subsistence costs (hotel accommodation and per diem, covering local expenses like meals and local transport) are eligible for co-financing provided they are essential, reasonable and properly documented. The policy of the applicant in terms of travel and subsistence shall be followed.

If several events are planned please split the costs for each event.

c) Costs of equipment (table 4.C of the application form)

Only equipment purchased for the purposes of carrying out the action can be charged as direct costs. To be considered as eligible, a cost must be determined according to the beneficiary's usual accounting practice and each beneficiary must apply its usual depreciation system for durable equipment. Depreciated costs of equipment can never exceed the purchase price of the equipment.

Only the portion of the equipment used on the project may be charged. The amount of use (percentage used and time) must be auditable.

In the case of rental or leasing, the cost of any buy-out option at the end of the lease or rental period is ineligible.

The installation, maintenance and insurance costs of eligible hardware and equipment are eligible, but are limited to the proportional use of the equipment for the project.

The equipment may **not be purchased prior to the start of the period of eligible expenditure** indicated in the agreement, except in the cases of renewed projects where the depreciation costs were allowed as eligible expenditure for the previous contractual year(s).

Only the portion of the equipment's depreciation corresponding to the (remaining) duration of the project and the rate of actual use for the purpose of the project can be taken into account by the European Parliament, except where a different arrangement is justified by the nature and/or context of the equipment's use.

<p>Equipment costs (Purchase Value) * Remaining months from the purchase date until the end date of the action covered by the grant / Life span of the item (months) * Usage rate</p>
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Examples:

Description	Items	Cost of purchase or rent/item (EUR)	Total cost of purchase (EUR)	Remaining months of grant action	Depreciation span (in months)	Costs with depreciation	Usage rate for action	Final costs
Example 1: New booths (purchased on 18/09/N- End of action foreseen 31/07/N+1)	2	10.000	20.000	11	60 (5 years)	$20.000 * 11 / 60 = 3.666,66$	60%	2.200,00
Example 2: Laptop (purchased in 24/12/N- End of action foreseen 31/07/N+1)	1	1.200	1.200	8	36 (3 years)	$1.200 * 8 / 36 = 266,66$	100%	266,66
Total identical to heading C in Table 1						EUR		

d) Costs of consumables and supplies (table 4.D of the application form)

The applicant should include in this chapter costs like **teaching material** (books, DVDs etc.) and which are used exclusively for the action proposed. Blank CDs, DVDs, photocopies and stationary are considered as office supplies and are eligible under general costs.

e) Conferences and Meetings (table 4.E of the application form)

Organisation costs can include items such as rent of rooms, rent or purchase of materials. If several events are planned please split the costs for each event.

f) Any other direct costs (table 4.F of the application form)

These are costs which cannot be indicated under another category or item of expenditure. They must be fully documented and clearly itemised in the application and report.

g) General costs charged to the operation (table 4.G of the application form)

These are **overhead costs** or indirect costs related to project management, such as bank charges, communication costs and office supplies (postage, fax, telephone, mailing, internet, stationary, photocopies, office supplies etc), rent of the premises used for the project.

The item "General costs" may not cover or overlap with staff costs or any other costs already declared for another item in Chapter A to F. The General costs are calculated as **7% maximum of the total of the direct costs of Chapter A to F**; any amount exceeding this percentage will be ineligible. They do not need to be justified by invoices.

IV. AGREEMENTS

If the proposal is selected for funding, the applicant will receive two (original) grant agreements which should both be sent back to the address indicated, initialled, signed and dated. The beneficiary will then receive from the European Parliament a countersigned original. Only when the agreement has been signed by both parties, the beneficiary is entitled to the grant.

If the **third parties play a major part in the action**, the European Parliament may require the signature of a multi-beneficiary grant agreement. In this case, the applicant, acting mainly as a coordinator, will ask third parties for a mandate to act on behalf of the "co-beneficiaries". The financial responsibility will be limited to each institution's/partner's share of a grant.

V. AMENDMENTS

Modifications **after signature** of the **grant** agreement must be submitted by the beneficiary and authorised by the European Parliament in writing in good time before it is due to take effect, and in all cases **one month before the closing date of the action**, except in cases duly substantiated by the beneficiary and accepted by the European Parliament.

Otherwise expenditure that was not foreseen in the beneficiary's initial budget (Annex III of grant agreement) cannot be considered as eligible and will not be taken into consideration in the final calculation of the grant.

An amendment is needed for transfers of **over 10% of the initial estimated eligible costs of the budgetary chapter for which the transfer is intended and for amounts which are at the same time higher than 3.000 €** (see also I.7. and II.22 of the model grant agreement) and to **changes in the nature** of expenditure or to the **addition of items** of expenditure (e.g. purchase of a computer instead of microphones etc).

After the amendment has been signed by both parties, the beneficiary will receive by email the amended report forms.

In this case a simple acknowledgement or approval of the changes by email/letter does not suffice.

Example 3:

The beneficiary needs to purchase an equipment of an amount of 2.900€ not foreseen originally in the budget (the equipment foreseen in chapter C values 1.000€), on the other hand a travel expenditure of 2.800€ will be cut.

Normally the additional budget added of 2.900€ is more than 10% of the initial budget of 1.000€ in Chapter C) but as the amount transferred is still less than 3.000€ no amendment is needed.

It is however still necessary to inform the European Parliament (before the purchase) by email as they have to agree on the nature of expenditure.

VI. REPORTING AND PAYMENTS

The beneficiary is entitled to the final balance payment only upon approval of the correctly completed and submitted report forms.

The beneficiary has to certify that the financial documents submitted to the European Parliament comply with the financial provisions of the agreement, that the costs declared are real costs, and that all receipts have been declared. (Art II.19 and II.20 of model grant agreement).

1. Invoices

Please send **individual copies or original invoices only upon request.**

Please complete (electronically) the "overview list of invoices" summary table (Annex IV C). The invoices must be kept by the beneficiary for 5 years after the last payment made by the European Parliament and should be available on request.

2. Timesheets

To justify the time that (internal and external) staff dedicates to the action, timesheets should be kept in case of a random control.

3. VAT (Value added taxes)

The budget forecast and financial reports should exclude VAT which the applicant/beneficiary may exempt from or be refunded.

4. Currency (for non-Euro-Zone-countries)

Please convert the currency in which the payments are made into euros (€) using the average of the monthly exchange rate (see website <http://ec.europa.eu/budget/inforeuro/>) of the action's duration.

Organisations established in countries outside the Euro-zone should be aware that they bear possible losses of currency exchange.

5. Payments

The grant will be paid in two instalments. The pace of payments will vary according to the risk assessment made by the European Parliament. In principle, payments will be made as follows:

a) Pre-financing instalment

The applicant will receive 70% of the grant (if stipulated in the agreement) after the grant agreement has been signed by both parties.

b) Final payment

The final report should be submitted as early as possible after the end of the action and not later than stipulated in the grant agreement.

Following forms, duly completed, signed and dated, have to be sent in:

- **Final Technical Report** on the action's implementation
- **Final Financial Statement** on final expenditure and revenue
- **Obligatory Details of Expenditure**
- **and, upon request: copies of invoices & timesheets**

**FOR ANY FURTHER QUESTIONS RELATED TO THE GRANT APPLICATION,
THE GRANT AGREEMENT AND ITS MANAGEMENT, PLEASE CONTACT:**

LINC.grants@ep.europa.eu