

The Tempus Programme

Frequently Asked Questions

These questions only relate to Tempus IV Projects selected under the Sixth Call for Proposals in the 2013 Selection Round

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I. GENERAL

1. I have been involved in Tempus in previous years and am confused by the new terminology, could you explain it?

In order to establish a legal link between the Education, Audiovisual and Culture Executive Agency (the "Agency") and all institutions/entities receiving funds from the European Union, the Tempus programme now uses multi-beneficiary Grant Agreements (the Grant Agreements used in Tempus III and the first call of Tempus IV (EAC/04/2008) established a legal relationship with the Grant holder only). The new Grant Agreements necessitate the use of new terminology:

Tempus IV, First Call 2008		Tempus IV, subsequent calls
Grant holder	⇒	co-ordinator
Partner	⇒	co-beneficiary/beneficiary
Partners (collective term)	⇒	beneficiaries

2. What is the mandate and what should be included in a Partnership Agreement?

Whereas in the past the Grant Agreement established a legal relationship between the co-ordinator (grant holder) and the Agency, the new multi-beneficiary Grant Agreement establishes a legal relationship between:

- the Agency and the co-ordinator;
- the Agency and each beneficiary and
- the co-ordinator and each beneficiary.

Signing the mandate binds the beneficiary to the legal provisions of the Grant Agreement and gives power of attorney to the co-ordinator to sign and act on their behalf. The contact person for the Agency concerning all project matters will be the co-ordinator.

In practice, the mandate means that:

- the beneficiaries have jointly and severally full financial responsibility for the project (including in the case of recovery);
- project accounts are maintained by the co-ordinator, drawing on the accounts of the beneficiaries. The beneficiaries agree to supply in due time the necessary information and supporting documents;
- the total EU contribution passes through the co-ordinator, but expenditure made by the beneficiaries is also eligible, insofar as it is reflected in the project accounts and in the accounts of the beneficiaries (and that it respects all other rules on the eligibility of costs);
- direct audits can be carried out on the co-ordinator and the beneficiaries.

Details on the general obligations are given in Article II.1 (Annex VI) of the Grant Agreement. The recommended internal Partnership (internal co-operation) Agreement should clearly indicate the specific roles and responsibilities of the individual beneficiaries, their deliverables, the allocated budget and co-financing contribution. It should also include the management and communication strategy to be used during the project and an agreed approach to conflict resolution within the partnership. It should be signed by the co-ordinator and each beneficiary. The Partnership Agreement is an internal document between the beneficiaries and should be drawn up by common agreement and should be consistent with the provisions as laid out in the Grant Agreement (and its Annexes) and the Guidelines for the Use of the Grant. The EACEA does not provide a template but some examples are available on request and might help to draw the internal partnership agreement.

3. Will I need to provide an external audit report for my project?

As stated in Article I.4.1 of the Grant Agreement, an external audit report on the action's financial statement and underlying accounts must be sent with the Final Report at the end of the project.

Please note that the Executive Agency has elaborated a template providing detailed information on the audit certificate. The use of the audit template is compulsory. It is available on our website:

http://eacea.ec.europa.eu/tempus/beneficiaries/beneficiaries_tempus4_2013_en.php

The cost of the external audit report should be charged under 'Other costs'. The anticipated cost is between Euro 5,000-12,000 though this will vary depending on the co-ordinating country, the number of countries involved, the number of beneficiaries, the type of auditor and their experience with Tempus.

Since the maximum grant cannot be increased, projects that did not include the cost of an external audit report in their budget will need to allocate funds from within their existing budgets. Where there are insufficient funds under the 'Other costs' heading, a transfer will need to be made from another budget heading, if necessary by means of an amendment.

4. I have been the co-ordinator for a project funded by the Tempus Programme for several years. Do contractual rules differ from one selection round to another?

Yes. The Grant Agreement and its related documentation are updated for each selection round of Tempus. Please be sure to refer only to the contractual documents related to your specific selection round.

There can be important and significant differences in the contractual rules for different selection rounds. Beneficiaries are therefore strongly advised to read the appropriate contractual documentation carefully **before** starting to implement the project and to refer to it when necessary during the project. Do not assume that the rules on any particular issue have stayed the same. Please check first.

5. How and when can I change the planned project activities once the project is under way?

Planned activities can be changed during the implementation of the project. However, please note that the budgetary implications of these changes will have to be accounted for.

As a rule, requests for modifications should be **duly justified** in relation to the project objectives. In other words, an explanation is required as to how the requested changes will help ensure the effective achievement of the project objectives. Requests for modifications should be **detailed**; i.e. information should be provided on the nature and type of activities, the added value, the exact costs involved and the figures for any required transfer of funds between budget headings.

Such changes should be introduced before the new or modified activity takes place, either by written request or in the intermediate report. Once the Agency has approved the request or the report, the authorisation or the report will become contractually binding. No oral agreement may bind the parties to this effect.

Please do not wait until the last minute to request changes. Requests should **be made well in advance**.

II. ELIGIBILITY OF COSTS AND ACTIVITIES

6. Are all activities described in the project application automatically eligible?

No. Please do not assume that all activities in your project application are automatically eligible. Before implementing any activity, please check first that the activities indicated in your project proposal are eligible under the Grant Agreement (see FAQ #7 for the list of ineligible costs). Please note that costs for subcontracting that exceed the total value of Euro 10,000, even if listed in the project application, are subject to prior written authorisation by the Agency.

In addition, please note that the terms set out in Part I - Special Conditions of the Grant Agreement - take precedence over those in the other parts of the Grant Agreement and the terms of Annex VI - General Conditions - take precedence over those in the other Annexes.

7. Which costs are considered ineligible?

In order to be eligible, costs have to fulfil the conditions set out in Article II.19.1 (Annex VI) of the Grant Agreement. Moreover, according to Article II.19.4 (Annex VI) of the Grant Agreement the following costs are considered ineligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- costs of transfers from the Agency charged by the bank of a beneficiary;
- costs declared by a beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Agency for the purpose of implementing the Union budget); in particular, indirect costs shall not be eligible under a grant for an action awarded to a beneficiary which already receives an operating grant financed from the Union budget during the period in question;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT.

Further ineligible costs include (see Article I.10.10 of the Grant Agreement):

- equipment such as: furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft Systems;
- hospitality costs;

- costs related to the use of materials (computer, laboratory, library, etc.) incurred by universities, institutions, industries or companies when hosting staff;
- registration fees for courses, seminars, symposia, conferences, congresses;
- costs of premises (purchase, rent, heating, maintenance, repairs etc.). Renting of premises is only possible for specific dissemination events with prior written approval from the Agency;
- costs linked to the purchase of real estate;
- expenses for activities - and related travel - that are not carried out on the premises of the project beneficiaries (see Annex V of the Grant Agreement), unless listed as an eligible activity in these guidelines or explicit prior authorisation has been granted by the Agency;
- expenses incurred outside the eligibility period;
- contributions in kind.

Please be aware that it is not permitted during the project to charge fees to students/trainees for courses developed as part of the Tempus project. See further precisions in FAQ 74.

8. Must activities and expenditure be carried out and paid during the eligibility period or is there any flexibility?

- Formal commitments of expenditure (contract, order, etc.) **must** be made **before** the end of the eligibility period (Art. I.2.2 of the Grant Agreement);
- Invoicing of the related expenditure **may** be made **up to** two weeks after the end of the eligibility period;
- Disbursement/payment of the related expenditure **may** be made **up to** four weeks after the end of the eligibility period;
- Duly justified costs relating to the request for payment of the balance and the corresponding supporting documents (e.g. preparation of the final report and audit report) **may** be invoiced **up to** eight weeks after the end of the eligibility period (Annex VI, Art. II.19.1).

9. For which reasons might certain costs be considered ineligible during the assessment of the final report?

Please note that there may be some activities, equipment, mobility or other items foreseen in the original application (project proposal) that are not automatically eligible. Before implementing activities or purchasing equipment you should always check in your Grant Agreement and the Guidelines for the Use of the Grant as to whether the items are eligible.

The most common (but not the only) reasons for ineligibility are the following:

- The requested supporting documents are missing in the final report;
- The requested supporting documents are illegible or not duly filled in (e.g. a signature or a stamp is missing, discrepancies between the report and the supporting documents, the dates reported are incorrect, etc.);
- Activities have been implemented or items have been purchased outside the eligibility period;
- Prior authorisation has not been requested/granted e.g. hire of premises for dissemination events, sub-contracts.
- The contractual rules have not been respected, e.g.:
 - funds have been disbursed for institutions or individuals who are not involved in the partnership and without prior written authorisation;
 - budgetary ceilings have not been respected;
 - deductible VAT has been included in the invoice and charged as project expenditure;
 - the tendering procedure (minimum 3 quotations) has not been applied for the purchase of goods or services over Euro 25,000.

10. Is it possible to obtain an extension of the eligibility period at the end of the project and, if so, what do I have to do?

Where a request is considered to be justified, an extension of the eligibility period might be granted on an exceptional basis. Delays inherent to the project and in the implementation of the work plan will not be considered a sufficient reason for an extension of the duration of the eligibility period. **Only one extension of a maximum of 12 months** may be granted to your project. Extensions must be requested at the latest one month before the end of the eligibility period.

The request should clearly outline why the extension is necessary, specify the activities that are affected by delays and the consequences that this will have on the achievement of the objectives. It should include a concrete and detailed plan for the activities during the additional period requested.

11. If the project is suspended, can an extension be granted?

The project activities can **only** be suspended if circumstances make the implementation of the project impossible or extremely difficult and/or in case of *force majeure*. Please refer to Article II.15 – Suspension of the implementation of the action, and Article II.14 – Force majeure (Annex VI - General Conditions of the Grant Agreement).

If the suspension is granted, the extension of the eligibility period will require a formal amendment of the Grant Agreement, valid as of the date of signature of both parties.

Any request for suspension and any corresponding extension should be made as soon as possible and, in any case, no later than one month before the end of the eligibility period.

12. Can I claim exchange rate losses?

No. Please refer to Article II.19.4 (Annex VI) of the Grant Agreement.

13. Can I use bank interest earned by the grant for the project?

The introduction of the new Financial Regulations has changed the rules with regard to bank interest for this call. Thus, interests generated by the pre-financing payments will not be recovered any more by the Agency. Consequently, the bank interests earned can be reinvested in the project.

14. Do I have to declare bank interest?

Bank interests do not need to be declared any more for this call according to the new Financial Regulation. In case you want to highlight that a significant amount has been earned by the pre-financing payment, you can communicate this with your final report.

III. THE BENEFICIARIES

15. Which of the beneficiaries is responsible for the overall management of the project in terms of accounting and financial responsibility?

According to Article II.1.3 (Annex VI) of the Grant Agreement, all beneficiaries shall have full responsibility for ensuring that the action is implemented in accordance with the agreement. By virtue of the mandates, the co-ordinator is responsible to monitor that the action is implemented in accordance with the Agreement. The co-ordinator is the intermediary for all communications between the beneficiaries and the Agency and is responsible for the financial management. Please refer to Article II.1 which outlines the responsibilities of the co-ordinator and all beneficiaries. The co-ordinator shall not subcontract any of its tasks (as indicated in the Grant Agreement) to any other party.

Any demand or request for documentation/information from the Agency concerning the implementation of the project shall be sent to the co-ordinator (named at Article I.6.3 of the Grant Agreement), who must respond to it.

16. Can new beneficiary institutions join the consortium?

Yes. During the eligibility period, the consortium can be enlarged. The proposal for enlargement of the consortium should be submitted to the Agency. The new beneficiary is eligible for funding only after official approval has been granted. In addition, and for obvious reasons, a new consortium member should be included before the start of the final project year.

The request should contain detailed justification as to the reasons why the new beneficiary is required. If applicable, this explanation should include a revised plan of activities and revised budget. Any impact on the achievement of the objective(s) should be explained in detail.

The enlargement of the consortium will under no circumstances lead to an increase of the maximum grant amount.

Since the enlargement of the project consortium implies a modification to Annex V of the Grant Agreement (List of beneficiaries), the formal requirements should be strictly observed:

- a written request/explanation from the co-ordinator
- a mandate signed between the co-ordinator and the new beneficiary;
- acceptance letters from all other beneficiaries signed by the contact persons.

The above mentioned documents should be forwarded to the Agency by the co-ordinator with a signed request.

17. Can I add a beneficiary from another Partner Country to a national project?

Adding a beneficiary from a new Partner Country would transform the project from national to multi-country. The eligibility criteria listed in the Call for Proposals (EACEA/35/2012) still apply, namely that "at least two higher education institutions, from each of the participating Partner Countries (minimum two Partner Countries) ... (with the exception of Kosovo and Montenegro where the requirement is one higher education institution from each)" are required. The theme of the project must also address the regional and/or national priorities of the new country.

18. What do I need to do when a partner institution withdraws or changes name/legal status?

The following procedure must be followed in case of a withdrawal:

- The withdrawing institution should send an official letter, signed by the legal representative to the co-ordinator confirming their withdrawal from the project;
- The co-ordinator should send written confirmation to the Agency including:
 - a detailed description of the consequences on the project's objectives, outcomes and activities;
 - the letter from the withdrawing beneficiary.

Where the minimum partnership requirements (as indicated in the Tempus IV, Sixth Call) are no longer fulfilled, the Agency reserves the right to decide on the continuation of the agreement.

The following procedure must be followed in case of change of name/legal status:

- The co-ordinator should submit to the Agency :
 - Information letter about the change incurred (name, legal status) and confirmation that all beneficiaries were informed about this change;
 - Copy of the official document (e.g. governmental decree, publication on the Official Journal, etc.) – accompanied by plain translation in EN or FR;
 - new mandate issued for the beneficiary institution that changed name/legal status.

19. Can the co-ordinator of the project be changed?

Yes, but only under the most exceptional circumstances. Changing the co-ordinator is a drastic measure.

The new co-ordinator takes up all obligations of the initial co-ordinator **from the date agreed in the amendment to the Grant Agreement**. For expenditure made before the change of co-ordinator, the accounts shall be reconciled and the available budget shall be transferred from the old co-ordinator to the new. Please note that the new co-ordinator will be considered the sole interlocutor with the Executive Agency for the implementation of the Agreement.

The formalities for the change of co-ordinator involve amending the Grant Agreement. This amendment must be signed by the three parties involved, i.e. the previous co-ordinator, the new co-ordinator and the Agency. In addition, mandates between the new co-ordinator and each beneficiary would need to be signed.

20. Can the contact person of a beneficiary be changed?

Yes, the contact person can be changed.

For the change of contact person at one of the beneficiaries, the co-ordinator should provide written (email) confirmation of the change to the Agency.

If there is a change of contact person at the co-ordinator, written confirmation (letter) signed by the new contact person, the legal representative and the former contact person of the co-ordinator should be sent to the Agency.

21. Are non-consortium members eligible for funding under the Tempus grant?

Only the institutions listed in Annex V of the Grant Agreement are eligible for funding under the grant.

Exceptions to this rule are only possible in the case of subcontracting (please refer to Articles II.9 and II.10 (Annex VI) of the Grant Agreement and section VII of this document), and where specific prior written authorisation has been granted by the Agency.

22. What funding are Ministries able to receive?

Public administrations (Ministries, other national, regional and local administrations) or governmental organisations are entitled to reimbursement of travel costs and costs of stay incurred within the framework of the project, provided a mandate has been submitted prior to the signature of the Grant Agreement. The grant may not be used to finance administrative or academic tasks (staff costs) carried out by public administrations or governmental organisations or to purchase equipment for them. This applies to both Joint Projects and Structural Measures.

IV. THE BUDGET AND CO-FINANCING

23. Do the thresholds on Staff Costs and Equipment apply to the total eligible direct costs of the project, or only to the Tempus grant contribution?

Staff Costs may not exceed 40% and Equipment costs may not exceed 30% of the **total eligible direct costs indicated in Annex II** of the Grant Agreement "Estimated budget of the Action". Any co-financing under these headings is also subject to the ceilings.

24. How much flexibility is there to move amounts budgeted between budget headings?

Under Article I.8, projects may increase the amount of each budget heading of direct eligible cost set out in Annex II of the Grant Agreement by a maximum of 10% by transferring money without prior authorisation, even if the increased amount means that you are exceeding the ceilings laid out in the Guidelines for the use of the grant for Staff or Equipment Costs.

In practice, this means that in the final financial assessment of your project, the maximum expenses (incurred under the grant and co-financing) that can be accepted under each budget heading is 110% of the amount shown in Annex II of the Grant Agreement for the budget heading in question.

Please bear in mind however that whilst there is a level of flexibility in terms of increased budget headings with regard to the declared expenditures in the final report, significant decreases of expenditure under a given budget heading should be justifiable with regards to the objectives and overall funding of the project.

Prior written authorisation from the Agency is required if you plan to increase one or more **budget heading by more than 10%**, even if you are within the ceiling for Staff or Equipment Costs. This is because an increase of more than 10% requires an amendment to Annex II of your Grant Agreement (please see Article II.12, Annex VI, of the Grant Agreement).

Please note that **transfers between budget headings cannot include Indirect Costs**.

25. Can I ask for a budget change at any point in the project?

No. A request for budget modification should be carried out **before** the additional costs are incurred and must be requested no later than one month before the end of the eligibility period (Annex VI of the Grant Agreement, Article II.12.3). Retroactive requests (i.e. those discovered in preparing the final report or those where it can be concluded with certainty that the additional activity has been carried out without authorisation) will not be accepted.

26. Can we ask for a budget modification to increase the Indirect Costs?

No, the funding for Indirect costs is a fixed flat-rate of 7% of the direct eligible costs of the action.

The final amount awarded will be recalculated as 7% of the actual direct eligible costs of the action following the financial assessment.

27. Can the maximum grant amount mentioned in Article I.3 of the Grant Agreement be increased when the consortium adds additional beneficiaries or plans additional activities?

No, the maximum grant amount may not be increased under any circumstances.

However, it may be reduced. The Agency may reduce the amount of the grant in the following cases:

- Where the costs incurred by the consortium are below the amount specified under I.3 of the Grant Agreement;
- Where a profit has been made, since the Tempus grant cannot exceed the amount necessary to balance the project's income and expenditure;
- Following assessment of the final report;
- Following the results of audits;
- If contractual obligations, such as timely submission of reports, are not respected (please see FAQ #48).

28. How do I know which budget heading to charge costs under?

Guidance is given in the Guidelines for the Use of the Grant. For ease of reference, the main items have been reproduced in table-format below. All types of cost mentioned relate only to those directly necessary to the achievement of the project.

<p>Staff Costs directly necessary to implement the project (refers only to staff members of the participating institutions)</p> <ul style="list-style-type: none"> ▪ Administrative or academic tasks ▪ Course development ▪ System support and maintenance of on-line courses/websites design and maintenance ▪ Replacement costs ▪ <u>Specific services</u> provided by staff/students of the beneficiaries: <ul style="list-style-type: none"> - Language courses - Translation services - IT courses - Evaluation activities 	<p>I STAFF COSTS</p>
<ul style="list-style-type: none"> ▪ Travel ▪ Subsistence allowances ▪ Personal/health/obligatory insurance costs ▪ Visa costs ▪ Cancellation costs (if reasonable and justified) 	<p>II TRAVEL COSTS AND COSTS OF STAY</p>
<ul style="list-style-type: none"> ▪ Equipment directly relevant to the project (hardware and software) and laboratory supplies (teaching purposes). ▪ Installing/setting up communication lines for internet connection ▪ Access to databases (libraries/electronic libraries) ▪ Equipment insurance, transport and installation costs ▪ Maintenance of equipment ▪ Hire of equipment (prior authorisation required) 	<p>III EQUIPMENT</p>
<ul style="list-style-type: none"> ▪ Printing and publishing (paper and electronic) ▪ Photocopying teaching materials/documentation 	<p>IV PRINTING AND PUBLISHING</p>
<ul style="list-style-type: none"> ▪ Costs related to dissemination (advertising in the media, promotional materials such as pens, bags, posters) ▪ Hire of premises for dissemination events (prior authorisation required) ▪ Inter-project coaching ▪ Bank charges ▪ Bank guarantee charges (where requested) ▪ External audit fees ▪ Subcontracting (fees, travel costs and costs of stay of subcontracted experts in exceptional cases for specific, time- bound, related tasks (upon prior written approval when total value is more than Euro 10,000) ▪ <u>Specific services</u> provided by companies or by subcontracted experts (upon prior written approval when total value is more than Euro 10,000): <ul style="list-style-type: none"> - Language courses - Translation services - IT courses - Evaluation activities - Web design and maintenance 	<p>V OTHER COSTS</p>
<ul style="list-style-type: none"> ▪ Stationary/office supplies ▪ General photocopying ▪ Postage and telecommunication costs ▪ Use of internet/communication software (e.g. Skype) ▪ [etc.] 	<p>VI INDIRECT COSTS</p>

For ineligible costs, please refer to the Article I.10.10 and Article II.19.4 (Annex VI) of the Grant Agreement.

29. What do 'consumables and supplies' comprise and under which budget heading can they be charged?

Costs of consumables and supplies (such as toner, mouse, particular software, etc.) that are connected with the purchase of equipment items as listed in point 5.1 of the Guidelines for the Use of the Grant can be considered as eligible direct costs under the budget heading "Equipment" provided the corresponding consumables and supplies are indicated in the supporting documentation (invoices) issued by the service provider.

In contrast, stationery and general office supplies should be charged to 'indirect costs' and do not require supporting documentation.

30. What is meant by 'co-financing'?

The maximum EU contribution is laid down in Article I. 3 and may not exceed 90% of the estimated eligible direct costs. The remaining costs, equivalent to at least 10% of the total estimated eligible direct costs, identified in the provisional budget of the project under Annex II as 'Co-financing' must be financed from sources *other* than the Tempus grant. Proof of expenditure must be retained with the project finances in all cases and be provided with the Final Report where requested.

Please note that the same eligibility rules and financial principles (such as the requirement for supporting documents) apply for both expenditure paid by Tempus and co-financed (please see "Guidelines for the Use of the Grant").

31. Must all beneficiaries contribute to 'co-financing'?

The Grant Agreement does not stipulate how much each institution must contribute to the co-financed part of the project. In principle, the project proposal should state how much each individual institution is contributing, which can of course be reviewed as the project progresses. A contribution from each institution is however recommended. This contribution can vary depending on the resources available to each institution for the project.

32. Can the beneficiaries co-finance under any budget heading?

The beneficiaries can co-finance under any budget heading **except Indirect Costs**.

In accordance with Point 9 of the Guidelines for Use of the Grant, supporting documentation must be produced for all co-financing declared. By definition, indirect costs require no supporting documentation and therefore cannot be co-financed.

33. Do the beneficiaries have to co-finance 10% of every budget heading?

No. The beneficiaries can choose to co-finance any budget heading other than Indirect Costs, so long as the total co-financing amounts to the required percentage (at least 10% - please see Article I.3 of your Grant Agreement) of the total eligible direct costs of the project.

34. Are the charges related to a financial guarantee eligible as co-financing?

The charges related to a financial guarantee (when requested by the Agency as stated in the special clauses of the Grant Agreement, Article I.4), constitute an eligible cost for Tempus funding and can therefore also be eligible as 'co-financing'.

35. Can the beneficiaries cover possible ineligible costs using the amount they provide as co-financing?

No. Costs that are ineligible for EU funding are also ineligible as co-financing.

36. Can I reduce the amount of co-financing?

If the expenditure on the project is lower than foreseen, the actual figure for the co-financing may be reduced. The percentage of co-financing proposed in your project application must, however, be retained since the percentage contribution of the Agency cannot be increased (see Article I.3 and Article II.25, Annex VI of the Grant Agreement).

37. If at the end of the project, the consortium cannot co-finance the required percentage of the total eligible costs of the project, can a higher EU contribution be applied for?

No. The percentage of the EU contribution may not exceed the percentage of the total eligible direct costs laid down in Article I.3.

V. PAYMENTS AND BANK TRANSFERS

38. When can I expect to receive the grant payments?

Article I.4 and in particular Article II.24 (Annex VI) of the Grant Agreement defines the general timing for the payments of the different instalments of the grant.

The first pre-financing instalment, representing 60% of the maximum grant amount shown in Article I.3 will be paid within 30 days of the last of the following dates:

- the date when the last of the parties (The Agency) signs the agreement
- where requested in Article I.4.1, upon receipt of a financial guarantee of an amount equivalent to the amount of pre-financing granted.

The second pre-financing instalment, representing 30% of the maximum grant amount (I.3 of the Grant Agreement), may not be paid until at least 70% of the first pre-financing instalment has been spent.

The balance, representing up to 10% of the maximum grant amount, will be paid within 60 days following the receipt of the duly submitted final report, which must be sent with the Request for Payment.

39. What has to be done in order to receive the second pre-financing instalment and the payment of the balance?

Further pre-financing instalments can be claimed by the co-ordinator, using a Request for Payment form (in Annex IV of the Grant Agreement, available on the Tempus website). It must be accompanied by a detailed statement of the eligible costs actually incurred following the same format as the provisional budget and, if required under Article I.4.1 of the Grant Agreement, a financial guarantee. Payment of the second pre-financing is conditional upon receipt of the intermediate report (the intermediate report must be sent with the Request for Payment when 70% of the first pre-financing has been disbursed or not later than half way through the eligibility period). This further pre-financing shall be paid within 45 days after receipt of the above-mentioned documents by the Agency.

The payment of the balance can be claimed by the beneficiary using the Request for Payment of the Balance form (in Annex IV of the Grant Agreement, available on the Tempus website), which must be accompanied by the final report, composed of: a final report on the implementation of the project, a summary report for publication, a financial statement and Request for Payment, including the financial tables for each budget heading and an external audit report on the action's financial statements and underlying accounts (for more information, see FAQ #3).

All supporting documents justifying the costs incurred (including co-financing) must be kept with the project accounts (see Guidelines for the Use of the Grant). Certain supporting documents must be provided (see Guidelines for the Use of the Grant).

Before approving the final report, the Agency may also request that the beneficiary provides additional supporting documents. In that case, the beneficiary shall have 60 days to submit the additional information or a new report. A final report that is well prepared by the beneficiary usually results in a smooth assessment and subsequent payment by the Agency. In this context, 'well prepared' means a complete report with all sections duly completed, which provides qualitative and quantitative indicators, as well as all necessary supporting documents and any additional information required. For ease of reference and assessment, supporting documents should be numbered in conformity with the financial statement.

40. Can the beneficiaries pay for activities directly or must everything be paid by the co-ordinator?

Yes. It is considered good practice for the co-ordinator to delegate and transfer funds to the beneficiaries enabling them to pay directly for an activity/activities. These institutions should ensure that the co-ordinator is provided with original documentation for all items of expenditure. If this is not possible, the co-ordinator should be provided with certified copies and the original kept at the institution which carried out the transaction. The co-ordinator nevertheless remains responsible for the overall administration of the grant.

41. How and when must the co-ordinator transfer funds to the beneficiaries?

As stated in Article II.1 (Annex VI) of the Grant Agreement: "The beneficiaries shall make appropriate arrangements for the proper implementation of the action". Furthermore, "the co-ordinator shall [...] ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay". This could include pre-financing in instalments.

42. Must funds related to co-financing pass through the project bank account?

There is no obligation for funds related to co-financing to pass through the project bank account. It is, however, highly recommended, for easier identification of expenditure and transparency, to pay all expenditure on the project through the project bank account.

43. Can I pay in cash if cross-border bank transfers are difficult to organise?

Payment should not be made in cash for security and traceability reasons. The only exception is for the reimbursement of travel costs on the project. These can be paid directly to the person travelling. Funds may also be transferred to other bank accounts to pay service providers (for the purchase of equipment, for instance). Staff costs can only be paid directly to the bank account of a member of staff if this person and his employer have signed a Staff Convention. In all cases, please ensure that national tax legislation is respected.

44. Can the project bank account be changed during the duration of the project?

Yes. However, any change of project bank account should be notified in writing to the Agency using the Financial Identification form (http://ec.europa.eu/budget/contracts_grants/info_contracts/index_en.cfm), signed by the legal representative, authorised to act on behalf of the beneficiary and by the bank.

45. How will the amount of the final grant be calculated at the end of the project (Annex VI, Article II.25) and what should I expect to happen following the determination of the final grant?

The following three rules are used to determine the final grant:

1. The grant may cover no more than 90% of total actual eligible costs of the project following the financial assessment (exact percentage given in Article I.3). The remaining costs, equivalent to at least 10% of the total eligible costs must be co-financed (Article I.3 and II.25.1). Ceiling A
2. The grant may not exceed the amount necessary to balance the project's income and expenditure (total declared expenditure minus the amount co-financed by the beneficiaries) and the beneficiaries may not, in any circumstance, make a profit from it (Article II.25.3). Ceiling B
3. The grant may not exceed the maximum amount of the Tempus grant authorised in the Grant Agreement (Article I.3 and Article II.25.2). Ceiling C

The final grant will correspond to the lowest amount after calculating the three ceilings.

There are five possible consequences once the final grant has been calculated:

1. Payment of the balance (compensation): this amount represents the amount of the final grant as determined in the financial evaluation, minus 90% of the maximum grant amount already paid.
2. Payment of the balance (in a situation where the total amount eligible is actually higher than the maximum grant): the total amount paid to the co-ordinator may not exceed the maximum amount of the grant (I.3). The amount paid represents the remaining 10% of the total grant.
3. Reimbursement by the co-ordinator to the Agency. This amount represents 90% of the total grant already paid minus the final grant.
4. Reimbursement less than Euro 200: this amount represents 90% of the total grant already paid, minus the final grant. However, given that the foreseeable cost of recovery would exceed the amount to be recovered, the Agency will not request any reimbursement.
5. No recovery/no compensation: 90% of the total grant already paid is equal to the total of the eligible expenses. Therefore, the amount representing 10% of the total grant will not be paid.

46. How could I pre-finance the balance (up to 10%) of the maximum grant amount, given that payment of the balance will only be made after the end of the eligibility period and completion of the financial assessment?

The payment of the balance, representing up to 10% of the maximum grant amount (I.3 of the Grant Agreement), will only be paid after the approval of the final report and approval of the Request for Payment of the balance, accompanied by the documents specified in Article I.4.1 and Annex IV of the Grant Agreement.

This amount should be considered as an integral part of the grant. Please note that planned activities, including the purchase of equipment, cannot be cancelled on the grounds that the payment of the balance will only be made after all contractual requirements have been met.

In this respect, the following suggestions can be made:

1. The project partners may be able to advance costs incurred for their project participation (i.e. costs related to travelling and subsistence) or might agree to be reimbursed with a delay for their staff costs;
2. Project partners may decide to cover their needs by using the funds planned for indirect costs (Tempus financing), which would then be covered once the payment of the balance is made.

In any case, please be aware that the payment of the balance depends on the outcomes of the assessment of the final report.

However, please note that following the assessment of the final report, the Agency will not cover more than the percentage given in Article I.3 of the eligible costs submitted.

VI. REPORTING

47. How many reports should be submitted and what does the report comprise of?

A total of two reports should be submitted; one by the latest half way through the eligibility period and one two months after the end-date of the project.

Intermediate Report:

The intermediate report should be submitted with the Request for Payment when 70% of the first pre-financing has been dispersed. It must, however, be submitted at the latest by half way through the eligibility period. If by this time, 70% of the first pre-financing has not been spent, please send the report and send a separate Request for Payment once the level has been reached.

- Intermediate report on the implementation of the project (description of the progress made in the project implementation and table of achieved/planned outcomes);
- Summary report for publication;
- Statement of the costs actually incurred and a Request for Payment of the second pre-financing, if 70% of the first pre-financing has been spent by the date the report is submitted.

Final Report:

The final report should be submitted with the Request for Payment of the balance, at the latest two months following the end of the eligibility period.

- Final report on the implementation of the project (overview of the results and achievements and table of achieved outcomes);
- Summary report for publication;
- Financial statement and Request for Payment, including the financial tables for each budget heading;
- External audit report on the action's financial statements and underlying accounts.

48. When and how do I have to submit the intermediate and final reports?

Submission deadlines are given in Annex IV of the Grant Agreement. In particular,

The **intermediate report** shall be submitted when 70% of the first pre-financing has been disbursed and **not later than half way through the eligibility period:**

- ✓ 01/12/2014 for 2-year projects
- ✓ 01/06/2015 for 3-year projects

The **final report** shall be submitted **not later than two months after the end of the eligibility period:**

- ✓ 31/01/2016 for 2-year projects
- ✓ 31/01/2017 for 3-year projects

Please note that the **timely submission of the reports** (intermediate and final reports) is a contractual obligation. Any delay in reporting may have an impact on the monitoring of the project. In addition, please note that according to Article II.17.1 (Annex VI) of your Financial Agreement, any grave breach of the obligations under the agreement by the beneficiary shall be liable to financial penalties of between 2% and 10% of the

value of the grant. Please also be informed that the Agency has the right to claim back the entire amount of the grant.

If you cannot meet the deadlines, please inform the Agency in writing immediately. An extension of the deadline for the submission of the reports can be granted if duly justified.

One original and one copy of the intermediate report and one original and two copies of the final report, along with any required supporting documentation, must be sent by the deadline **by registered mail** (date as per postmark) to:

Education, Audiovisual and Culture Executive Agency (EACEA)
Mr Klaus Haupt
Head of Unit
Erasmus+: Higher Education – International Capacity Building (Unit A4)
BOUR 02/17
Avenue du Bourget, 1
B-1049 Brussels - Belgium

At the same time, an electronic version of the report must be sent **by e-mail** to the following address: eacea-tempus-project-management@ec.europa.eu.

Please note that the registration and assessment of the report is only made upon receipt of the original paper copy.

49. Do I have to submit the intermediate report even if I have not spent 70% of the pre-financing by the deadline given for the submission of this report?

Yes. If by half way through the eligibility period, 70% of the first pre-financing instalment has not been spent, the report must still be submitted.

Similarly, if by the end of the project this spending threshold has not been reached, the final report must still be submitted. It is on the basis of the information and supporting documentation provided in the final report that your project expenditure will be verified.

VII. PURCHASING GOODS & SUB-CONTRACTING

50. What are the rules around tendering?

When purchasing any kind of goods or services in the framework of the Tempus project, beneficiaries should refer to the procedure described in Article II.9 (Annex VI) of the Grant Agreement (Award of Contracts).

Where the value of the invoice/contract exceeds Euro 25,000, beneficiaries must obtain quotations from at least three suppliers and retain the one offering best value for money (Article I.10.1). The co-ordinator must retain documentation on the tendering procedure and note the names of the suppliers consulted in the financial statement at the end of the project. In so doing, the beneficiaries should be able to prove that market research has been carried out and that the bid meeting the technical requirements and offering best value for money has been chosen.

Beneficiaries may not split the purchase of equipment or of services into smaller contracts below the threshold.

51. How to respect the rule of origin?

All equipment purchased in the framework of the project shall comply with the rule of origin and shall therefore originate from a Member State of the European Union or from an eligible country as defined in the following Regulations:

- Council Regulation (EC) No 1085/2006 establishing an Instrument for Pre-accession Assistance, 17 July 2006, (cf. Art. 19) for projects involving Tempus Partner Countries in the Western Balkans (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:210:0082:0093:EN:PDF>);
- Regulation (EC) No 1638/2006 of the European Parliament and of the Council laying down general provisions establishing a European Neighbourhood and Partnership Instrument, 24 October 2006, (cf. Art. 21) for projects involving Tempus Partner Countries in the Southern and Eastern neighbouring area and the Russian Federation (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:310:0001:0014:EN:PDF>);
- Regulation (EC) No 1905/2006 of the European Parliament and of the Council establishing a Financing Instrument for Development Cooperation, 18 December 2006, cf. Art. 31 for projects involving Tempus Partner Countries in Central Asia (<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:378:0041:0071:EN:PDF>).

What does "origin" mean? Under this rule, goods "originate" not in the country of the supplier but in the country where the goods were last produced or assembled. That is what is meant by their "country of origin".

Depending on the geographical region(s) involved in the Tempus project, specific provisions apply. However, the following general indications can be given as regards the eligible countries of origin:

Countries represented in the partnership	Eligible countries of origin	
Western Balkans	Western Balkans, Southern Mediterranean and Eastern European Countries*	EU Member States + Norway, Liechtenstein, Iceland
Southern Mediterranean and/or Eastern European Countries		
Central Asia	Central Asia + Asia, Middle East, Latin America, South Africa**	

* Plus Turkey and the former Yugoslav Republic of Macedonia

** In total 48 countries from Latin America, Asia (including China), the Middle-East and South Africa (see list in Annex I of the Regulation (EC) No 1905/2006 in the link above), as well as the least developed countries (as specified by OECD/DAC: <http://www.oecd.org/dac/stats/DAC%20List%20used%20for%202012%20and%202013%20flows.pdf>).

We recommend that you contact the Executive Agency in case of doubts on the eligibility of countries of origin prior to the purchase.

Please note that for equipment of a unit cost of more than Euro 5,000 the origin of the goods must be attested by a "certificate of origin", i.e. an official document delivered by the relevant authorities of the country of origin of the supplies (for example, a Chamber of Commerce). Beneficiaries must keep this proof of origin in the project's accounts.

The certificate of origin can be provided by the supplier. Before entering into a contract with a supplier, it is advisable to make it clear to him/her that an official certificate of origin is needed. It is also recommended to accept delivery from the supplier only if he/she has duly submitted an official certificate of origin.

For equipment of a unit cost of less than Euro 5,000 the rule of origin must also be obeyed. In case of audit, Beneficiaries might be requested to provide a proof that the rule has been respected.

In duly substantiated exceptional cases and subject to prior approval by the Agency, derogation from the rule of origin can be obtained.

52. What are the rules around subcontracting?

Subcontracting is intended for specific, time-bound, project-related tasks which cannot be performed by the beneficiaries themselves. In cases (even if the intention to subcontract is listed in the application), where the costs for subcontracting exceed the total value of Euro 10,000 prior written authorisation from the Agency must be obtained - please include relevant supporting information, such as the CV of the individual or competence of the company, along with clear reasons as to why the task cannot be carried out by the beneficiaries.

Sub-contracting must respect the procedure described in Articles II.9 and II.10 (Annex VI) of the Grant Agreement. Furthermore, for contracts over Euro 25,000, the beneficiaries must obtain quotations from at least three suppliers (Article I.10.1), see also FAQ #50.

Subcontracting must be done on the basis of a contract and should describe the specific task being carried out and its duration. It must include a date, project number and the signature of both parties. An invoice must be issued with the subcontract. The reference rates for staff costs (Annex 3 of the Guidelines for the Use of the Grant) should be respected with regard to the fees payable to the subcontracted experts. Higher rates of pay may be applied, provided that they can be duly justified when submitting the request for prior authorisation.

All costs related to subcontracting have to be declared under the budget heading Other Costs- see FAQ #28).

VIII. STAFF COSTS

53. What is the maximum authorised budget for staff costs?

The total amount spent on staff costs whether co-financed or funded by the project cannot exceed 40% of the eligible direct costs indicated in Annex II of the Grant Agreement. However, for each project the specific budget for staff costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of transfer from another budget heading, this amount as declared expenditure by a maximum of 10% without prior

authorisation, even if the increased amount takes you above the 40% ceiling indicated in Annex II of the Grant Agreement (see Point 11.1, Guidelines for the Use of the Grant).

Requests to increase the staff costs budget heading by more than 10% must be presented in writing to the Agency. If, as a consequence of the increase, the 40% ceiling is exceeded, the request will not be accepted.

54. Are staff costs related to an administrative task that has been carried out by an academic considered as administrative or academic staff costs?

Staff costs are based on the task performed rather than on the status of the person carrying them out. In other words, staff costs related to an administrative task that has been carried out by an academic should be charged as administrative tasks.

Administrative staff costs may be charged for tasks related to the administration of a project, such as project management, book-keeping, accountancy and secretarial duties.

Academic staff costs may cover the production of content directly related to the project objective(s) and would include curriculum/training programme development, development and adaptation of teaching/training materials, preparation and teaching of intensive courses or training courses and so on.

55. What should I consider as a normal salary rate?

The cost of staff comprises salaries plus social security payments and other statutory costs included in the remuneration. These costs must correspond to the costs incurred by the institutions and may not exceed the average rates corresponding to the employing institution's usual policy on remuneration. Reference daily rates are indicated in Annex 3, Guidelines for the Use of the Grant. The rate for the country in which the beneficiary is registered will be applied, irrespective of where the tasks are carried out. Time-sheets have to be attached to each staff convention (see Point 3.2, Guidelines for the Use of the Grant).

Higher rates of pay may be applied when these rates are the norm in the country concerned, provided that they can be duly justified by supporting documentation (for example, a wage slip proving that a higher wage is being paid to the person concerned for a previous or similar post).

For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify / prove the following elements:

- the existence of a formal employment relationship between the employee and the employer. A formal employment contract is required.
- the declared staff costs are "identifiable and verifiable, in particular being recorded in the accounting reports of the beneficiary" (see art.II.19.1, Annex VI, of the Grant Agreement)
- the respect of the maximum reference daily rates as indicated in Annex 3 of the Guidelines for the Use of the Grant (in case of higher rates, supporting documentation such as payslips should be provided).
- the costs must correspond to the costs incurred by the institutions and may not exceed the average rates corresponding to the employing institution's usual policy on remuneration. Specific decisions relating to staff costs in Tempus projects taken by the relevant authorities (Rector, Vice-Rector, governing body, etc.) of the concerned institutions can be accepted.

In practice, a distinction can be made between different cases, in particular:

- a staff member is remunerated directly from the project (on a full-time, part-time or occasional basis as a top-up to normal staff salary) by his/her partner institution or by the grant holder directly. In this case, a proof of payment needs to be available to confirm that the payment has been made (e.g. bank transfer).
- a staff member is not remunerated directly from the project. Institutions themselves are allowed to charge staff costs (as a form of "compensation") for people who have been authorised to work for the Tempus project as part of their normal working time within the institution. Be aware that in this case, the institution concerned has to be able to prove that the tasks have been carried out (e.g. time sheets, employment contract listing the task, declaration signed by Rector/Dean/Head of Dpt/staff manager, etc.). The level of the remuneration (hourly or daily rates – see FAQ 56) must be in line with the salary slip of the staff member concerned (and below the reference daily rates as indicated in Annex 3 of the Guidelines for the Use of the Grant). The regular salary slip must therefore be available in order to check the level of the remuneration. Note that in all cases, the Tempus staff convention is required and a proof of payment has to be available.

56. How can I calculate the hourly rate from the reference daily rates given in Annex 3 of the Guidelines for the Use of the Grant?

We consider that a month equates to 20 working days and that a day represents 7.5 hours of work. The maximum number of working days accepted per person for a year equates to 220 days.

57. Can a student work for the project and be paid from the Staff Costs budget heading?

Students can work for the project and their salaries can be paid from Staff Costs provided that they have signed a work contract with a consortium member institution. An employment contract for staff costs must be retained with the project accounts.

58. Can a national from a non-EU or non-Partner Country who is working (staff member) at a beneficiary university benefit from 'staff costs'?

Staff who are not nationals of the EU or Partner Countries can benefit from the Tempus staff costs budget, but only if they are permanent members of staff at one of the beneficiary institutions.

59. Can replacement costs for European Union staff be financed from the grant?

For the European Union consortium members only, the grant may be used to cover the costs of replacing EU university teachers who are on a teaching mission (grant for staff mobility) at a beneficiary university in the Partner Country. The maximum amount available is Euro 2,500 per person per month (corresponding to Euro 625 per person per week) for a minimum uninterrupted period of one month and a maximum of ten months (one academic year). Supporting documentation in this case is a letter of engagement from the European partner organisation needing to replace this person during his time spent abroad, together with a fully completed staff convention (Annex I, Guidelines for the Use of the Grant) for each replacement member of staff. A Convention must be signed by the person concerned and signed and stamped by the responsible person in the institution where this person is normally employed.

Replacement Costs are accounted for under the budget heading "Staff Costs".

60. If a project team member from a Partner Country works at a European beneficiary institution in the consortium for a substantial length of time, and a convention form stamped by the European university is issued - can the team member be paid according to EU salary rates?

As a rule, the team member would not be considered as an employee of the European beneficiary institution. This activity is considered as 'mobility' and the usual rules regarding 'mobility' (and any possible related staff costs) apply.

If, however, the team member (of Partner Country origin) is already a regular member of staff of the EU beneficiary institution i.e. is on the payroll of the institution, the team member can be paid according to EU salary rates.

61. To which budget heading should I charge translation costs?

If the translation is carried out by the beneficiaries, it should be charged under Staff costs. If the translation service is provided externally, it should be charged under Other costs. Please see FAQ #28.

62. To which budget heading should I charge language courses?

If the language course is provided in-house by the beneficiaries, it should be charged under Staff costs. If the course is external, it should be charged under Other costs. Please see FAQ #28.

Beneficiaries are actively encouraged to promote language learning as part of their projects.

IX. TRAVEL COSTS AND COSTS OF STAY

63. Is staff mobility between two participating EU institutions located in different EU Members States taking part in the project allowed?

Staff mobility between two EU Member States represented in the project is possible in specific cases such as management, coordination, planning, monitoring and quality control activities. Such mobility is also authorised, if duly justified, for academic activities that contribute directly to achieving the goals of the project or for inter-project coaching. Please see the Guidelines for the Use of the Grant, Point 4.3.1.

For projects involving other types of activities (such as participation in training involving mobility within the EU), please contact the Agency who will decide on a case-by-case basis.

64. Where can I organise the consortium coordination meetings?

The coordination meetings can take place in any city of a Partner Country/EU Member State represented in the project consortium. Cost-effective use of funds should be ensured.

65. How much can I pay a student going on mobility within his/her own country?

While the costs of stay for a student going on mobility within their own country are not detailed individually, the co-ordinator should pay reasonable costs and may in no circumstance exceed the ceiling given in Point 4.4.3 of

the Guidelines for the Use of the Grant. This is a maximum. The amount paid should be relative to the destination (distance from home/cost of living) and in accordance with the sending institution's policy. This remark is valid for both student and staff mobility and refers to all travel activities (see Points 4.3.1 and 4.4.1 of the Guidelines for the Use of the Grant). A student attending a different institution but who is still able to travel from home on a daily basis should not be counted as 'on mobility' and therefore should not be entitled to 'costs of stay' under the Tempus grant.

66. Can we cover the costs for external participants (travel costs and costs of stay) attending our dissemination conference from the Tempus grant?

The travel costs and costs of stay are intended for the staff and students of the beneficiaries. In exceptional cases the Agency may agree to cover costs for specific individuals whose contribution to the event in question is tangible and well justified. Any request should include the names and profiles of the individuals, the estimated costs and a detailed explanation of how their involvement will benefit the project. Please note that requests to cover costs for a large number of external participants will be rejected.

67. I am organising a workshop, which includes the 'mobility' and the participation of many participants; do I have to produce a separate Individual Mobility Report for each of the participants?

Project workshops involving more than 25 participants whose costs are covered by the Tempus grant may apply the following reporting procedure: instead of submitting a number of separate Individual Mobility Reports, a report on the objectives and outcomes of the workshop together with a list indicating the name, allowance paid, and the signature of each participant may be produced. The signature of each participant is proof of his/her participation and of the amount he/she received. Supporting documentation for the travel costs should also be drawn up for all participants.

68. Can a national from a non-EU or non-Partner Country who is studying (student mobility) or working (staff mobility) at a consortium university participate in Tempus mobility?

Staff and students of a non-European Union or non-Partner Country nationality can benefit from the Tempus mobility grant, only if they are following an officially recognised study programme at or are permanent staff of one of the beneficiary institutions and if they have a resident permit. This should be documented in the final report.

The aim of the Tempus Programme is to finance activities performed by people permanently working in the European Union and Partner Countries, thus providing continued benefits for these countries after the end of the project.

69. What are the rules regarding travel destinations within a Tempus project?

As a general rule, mobility should take place between the beneficiaries. This means that activities should be hosted by the beneficiaries listed in Annex V of the Grant Agreement and that travel should be to those specific cities/locations. In some cases (listed in the Guidelines for the Use of the Grant, Points 4.3.1 and 4.4.1) mobility within the participating countries is acceptable.

If you wish to travel to countries other than those participating in the project, a specific written authorisation from the Agency is required.

Requests for mobility outside of the EU/Tempus Partner Countries cannot be accepted.

70. Can I avoid paying taxes on the per diems given to staff on mobility?

The payment of this tax is necessary under certain national jurisdictions. Unfortunately, in these cases this amount has to be covered by the per diem itself.

71. What do I do if I use my own car for mobility?

In order to receive reimbursement, the following rules must be respected:

Calculate the total cost of the trip on the basis of documentary evidence from a travel agency or a railway station, stating the price of a first class train ticket covering the same distance. This documentation must be kept with the project accounts.

Please note that, only one reimbursement will be possible from the Tempus grant, regardless of the number of passengers.

For Partner Countries, where no extended railway system currently exists, it is possible to apply a fixed rate covering the distance in kilometres based on local transportation routes.

The fixed rate can be justified in a declaration from the local Ministry of Education (or Finance), clearly indicating the rate. This declaration must be kept with the project accounts. The National Tempus Offices/National Contact Points may be able to help obtain information on the official rate used in the country concerned.

In the absence of an official declaration, the fixed rate, capped at Euro 0.22/km, may be used.

Please bear in mind that, to ensure that the most cost-effective means are used, travel costs declared on the project will be referenced against average costs for equivalent or comparable journeys.

72. How do I charge the cost of renting a coach or minibus to the Tempus grant?

Please note that renting a coach is only possible for travel between different beneficiaries. Group travel, during visits in and around a mobility destination should be covered by accommodation costs (per diems) and therefore no supporting documentation is required. The cost of renting a coach or minibus should be divided by the number of travellers.

Each participant should include, on the Individual Mobility Report (Annex 2, Guidelines for the Use of the Grant), his/her contribution to the total cost of the coach. In the case of large groups (25+), all Individual Mobility Grants can be substituted by a report including the objectives and outcomes of the mobility, together with a list of names and allowances received. This report must be signed by all the participants and kept with the project accounts (including the vehicle rental invoice).

73. If I take a taxi, is that covered by Staff Costs or must it be paid from the daily allowance?

If a taxi is used in the journey from the point of departure to the final destination (i.e. for a transfer from the airport to the hotel) this would be considered as a travel cost and the actual cost would be reimbursed. Nevertheless, we do ask that beneficiaries use the cheapest viable means of transport, for example an airport transfer bus would most probably be cheaper than a taxi fare.

Where a person has arrived at their destination and chooses to use a taxi for a local journey i.e. from the hotel to the conference venue or to go to a restaurant in the evening, this should be paid from their daily allowance.

74. Can we charge fees for newly developed courses?

No. During the project lifetime, fees cannot be charged for courses developed within the project. Since funding has been received to cover the project activities and project period, it goes against the spirit of the programme to charge fees. Profit should not be made from a Tempus project. Fees may be charged to students if they correspond to costs not foreseen by the budget of the Tempus project. Such fees have to correspond to national / institutional practices already in place.

X. EQUIPMENT

75. What is the maximum authorised budget for the purchase of equipment?

The total amount spent on equipment whether co-financed or funded by the project cannot exceed 30% of the eligible direct costs indicated in Annex II of the Grant Agreement. However, for each project the specific budget for equipment costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of transfer from another budget heading, this amount as declared expenditure by a maximum of 10% without prior authorisation, even if the increased amount takes you above the 30% ceiling indicated in Annex II of the Grant Agreement (see Point 11.1, Guidelines for the Use of the Grant).

Requests to increase the equipment budget heading by more than 10% must be presented in writing to the Agency. If, as a consequence of the increase, the 30% ceiling is exceeded, the request will not be accepted.

76. What type of equipment is considered eligible?

Only the purchase of equipment directly related to the objectives of the project can be considered as eligible expenditure e.g. (e-)books and periodicals, fax machines; photocopying machines; computers and peripherals, software; machines and equipment for teaching purposes; video-projectors (hardware) and video-presentations; television sets, installing/setting up of communication lines for internet connection/Skype; access to databases (libraries and electronic libraries outside the partnership); equipment maintenance, insurance, transport and installation costs.

Please note that all equipment purchased using Tempus funds must bear a Tempus sticker (these can be obtained from the National Tempus Offices).

For a list of ineligible items, please see, Article I.10.10 and Article II.19.4 (Annex VI) of the Grant Agreement.

77. I want to purchase equipment for the project. Must the equipment be purchased in the EU?

Equipment can be purchased from any eligible country and should comply with the rule of origin (see FAQ # 51); buying equipment in the Partner Country often has the advantage of avoiding lengthy customs procedures. Please note again that for equipment of a unit cost on purchase of more than Euro 5.000, the Beneficiary(ies) must keep proof of origin with the invoice.

78. Can an EU institution receive equipment paid for by the Tempus grant?

Under no circumstances may equipment be purchased for any European institutions/organisations.

The equipment is only intended for higher education institutions (Joint projects)/other beneficiary institutions or organisations of the Partner Countries (Structural Measures) participating in a Tempus project (Public administrations are excluded). Please see the Guidelines for the Use of the Grant, Point 5 for more details. Each piece of equipment should be set up and recorded in the inventory of the institution or organisation in which it is installed. The university, institution or organisation shall be the sole owner of such equipment.

79. Can the project consortium purchase equipment which is not listed in the original application?

Yes, while any significant change in the quantity or type of equipment to be purchased should be notified and authorised by the Agency, minor changes can be accepted without prior authorisation so long as the following conditions are met:

- The equipment purchased is necessary for the project's implementation and its necessity can be clearly justified if requested;
- The budgetary ceilings are respected;
- The equipment is eligible according to the Grant Agreement and the Guidelines for the Use of the Grant.

80. In a multi-country project, how must I organise equipment tenders?

The best solution would be for the co-ordinator to launch one big tender for all the equipment needed within the project. If this is not practical, the second option would be to launch one tender per participating Partner Country (grouping all the recipient institutions in that country together). Each institution launching their own tender for the same equipment is to be avoided due to the economies of scale involved in bulk purchase. If legislation prevents the combining of orders, we can – with due justification and explanation – accept that individual tenders are carried out on an institutional basis.

Where the threshold of Euro 25,000 has been exceeded, please remember to retain the three quotations with the project accounts and to indicate the names of the companies consulted in the Financial Statement of the Final Report. The beneficiaries may not split the purchase of equipment into smaller contracts with individual amounts lower than this threshold.

81. Who actually owns the equipment purchased with a Tempus grant?

The equipment purchased belongs to the Partner Country institution and not to any individual. The equipment purchased must therefore be recorded in the property register (inventory) of the Partner Country institution where it is installed.

82. Can I purchase a notebook or a laptop with a Tempus grant?

Yes, on condition that the notebook/laptop is registered in the inventory of the beneficiary institution/organisation and that all safety measures are taken when using it outside the university premises. It must also bear a Tempus sticker (these can be obtained from the National Tempus Offices).

83. Can I charge the purchase of shelves, tables and chairs necessary to carry out educational activities to the Tempus grant or must it be part of the 'co-financing'?

No (see Point 10.2 of the Guidelines for the Use of the Grant). Despite the fact that the above-mentioned items are necessary for the provision of educational services, they are considered as overall university infrastructure and the cost must therefore be borne by the university itself. They cannot therefore be covered by the Tempus grant or considered as co-financing.

An indicative list of the most commonly purchased eligible equipment can be found in the Guidelines for the Use of the Grant, Point 5.1).

84. Should depreciation be calculated on equipment purchased with the Tempus grant?

No. The entire cost of equipment can be covered by the Tempus grant, so long as the budget is earmarked and the eligibility criteria are met.

XI. OTHER COSTS

85. Can I use the "Other costs" section for expenditure that is not eligible under any other budget heading?

No. Please refer to the Guidelines for the Use of the Grant, Point 7.1 for the items that can be included in this budget heading.

86. What is 'inter-project coaching'?

'Inter-project coaching' is any activity, which allows the participants of a given project to meet and discuss with participants from other Tempus projects working in a similar subject area or towards a similar objective. The purpose of these meetings/discussions is to share ideas, discuss complementarities and review activities.

Contrary to 'dissemination activities', all costs related to inter-project coaching should be charged under 'Other Costs' for up to a maximum of Euro 2,500 per project. The guidelines to follow are the respective sections governing 'Staff costs' and 'Travel Costs and Costs of Stay' budget headings, laid out in the Guidelines for the Use of the Grant. Supporting documentation in this case will be the same as for all travel costs, costs of stay and staff costs (namely travel tickets, Individual Mobility Reports, Conventions and possible invoices). Resulting monitoring and quality reports must be included in the intermediate/final report, whichever is next due.

In cases of 'inter-project coaching' between an on-going project and a project which has already finished, only the costs for participants at the university where the project is on-going are eligible. Costs for inter-project coaching which arise from the participation of representatives of a project which has already finished are not eligible.

XII. INDIRECT COSTS

87. What costs can be covered by the budget heading 'Indirect Costs'?

The 'Indirect costs' budget heading has been created to charge general running costs, which are directly linked with the implementation of the project. It covers expenses such as stationary, photocopying, postal costs, telecommunication costs and the cost of using the internet. Indirect costs cannot exceed a contractual limit of 7% of the total eligible direct costs incurred during the project.

During the examination of the final project accounts, the Agency will confirm or revise the figure for eligible indirect costs, depending on the amount of eligible direct costs which have actually been incurred during the project's lifetime.

No supporting documentation is required for these indirect costs and no co-financing is permitted under this budget heading. However, the beneficiary must ensure that he/she is able to identify in the project accounts, all indirect costs which have been incurred.

The Agency's (or other parties delegated with this task, including auditors) examination of the indirect costs is limited to verifying if these remain within the total of 7% of the eligible direct costs actually incurred. Indirect costs are not considered as eligible costs if the beneficiary is already receiving an operating grant (as distinguished from an action/project grant) from the EU, which also covers running costs, during the same period.

XIII. TAXES

88. Are equipment or services purchased for a Tempus project exempt from VAT?

All equipment purchased and the provision of services **in the Partner Countries** are, within the framework of a Tempus project, exempt from taxes (including VAT), duties and charges (such as customs and import duties), if a Common Framework Agreement ("Financing Agreement" in the case of the Partner Countries in the Western Balkans) has been signed between the European Commission and the **Partner Country**.

At the beginning of the project, the co-ordinator will receive a certificate stating that the acquisition, delivery and installation of equipment and the provision of services in the Partner Countries are exempt from taxes, duties and charges if a Common framework Agreement ("Financing Agreement" in the case of the Partner Countries in the Western Balkans) has been signed between the European Commission and the Partner Country. This document should normally be sufficient to obtain a tax exemption. However, practice shows that a tax exemption can be difficult to obtain in certain Partner Countries, even if the European Commission has signed agreements with the governments of those Partner Countries. Where such difficulties are encountered, it

is suggested that beneficiaries should ask for the help and advice of the NTO in the Partner Country concerned. The EU Delegations in the Partner Countries (where those exist) may also be contacted when problems arise.

The certificate cannot be used to purchase equipment or services exempt from taxes (including VAT) within the European Union. However, equipment purchased within the EU with a view to being immediately exported to Partner Countries in the framework of the Tempus programme may be exempted from taxes (including VAT), duties and charges in accordance with the normal rules.

89. Are VAT payments eligible for co-financing?

No. Deductible VAT payments cannot be financed under Tempus (article II.19.4, Annex VI, of the Grant Agreement) and can therefore not be co-financed.

XIV. EXCHANGE RATES

90. Which exchange rate system do I have to apply when reporting transactions paid with currencies other than EURO in the Financial Statement, to be submitted with the final report?

There are two reference points that should be applied to any conversion of actual costs into euro; the months in which the first and second pre-financing payments are received.

Practically this means that:

- From the start of the eligibility period until the date that the second pre-financing is received, the rate of the month in which you received the first pre-financing should be applied
- From the date that the second pre-financing is received until the end of the eligibility period, the rate of the month in which you received the second pre-financing should be applied.

The rate to be applied is the monthly accounting rate established by the Commission and published on its website: <http://ec.europa.eu/budget/infoeuro>.

XV. PUBLICISING YOUR PROJECT

91. Am I obliged to publicise my Tempus project?

Beneficiaries are required to give adequate visibility to their projects, notably that they are implemented in the framework of Tempus.

Any event or activity should clearly specify that it is funded by Tempus.

Any publication should mention the following sentence: "This project has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein."

Material produced for project activities, training material, projects websites, special events, posters, leaflets, press releases, CD ROMs, etc. must bear the Tempus logo.

The use of the Tempus logo is compulsory. No changes in colour or content are authorised. The logo should neither be distorted nor rotated. The official Tempus logo (please select Tempus IV 2007-2013) can be downloaded from the following web-page: http://eacea.ec.europa.eu/about/eacea_logos_en.php

All equipment (including portable equipment) purchased with Tempus funds must bear a Tempus sticker. Stickers can be obtained from the National Tempus Offices.