



EUROPEAN COMMISSION
EMPLOYMENT, SOCIAL AFFAIRS & EQUAL OPPORTUNITIES
Social protection and social integration

VP/2006/014

**2006 EUROPEAN YEAR OF WORKERS' MOBILITY
TOWARDS A EUROPEAN LABOUR MARKET**

Applicants' guide

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I. Guidelines for presenting the proposal's provisional budget

1. MAIN FINANCIAL PROVISIONS

1.1. The Commission contribution is a maximum and is based on actual expenditure

The grant may not finance the entire costs of the action. As specified in the text of the call, the Commission's financial contribution will not exceed 85% of the total eligible costs. The applicant must guarantee co-financing **in cash** of the remaining 15%. Contributions in kind, which are contributions that are not invoiced, e.g. voluntary work, or equipment or premises made available free of charge, are not accepted.

The Commission reserves the right to reduce the grant requested if the activity is acceptable but considered too expensive, and to reduce individual unit costs if these are judged to be too high.

If your proposal is selected for a grant, the Commission will calculate its contribution as a percentage of the total eligible cost of the action. If your actual expenditure turns out to be lower than the expenditure for which you budgeted, the actual grant will also be reduced (but the percentage contribution will remain the same). The grant may not have the purpose or effect of producing a profit for the beneficiary; therefore, the grant will also be reduced by the amount corresponding to any surplus income. If your actual expenditure turns out to be higher than the expenditure budgeted, under no circumstances can the Commission grant be increased. It is in the applicant's interest to submit a realistic estimate of expenses.

1.2. Budget must be detailed, balanced and in Euro

The action budget must be presented in Euro (<http://ec.europa.eu/budget/inforeuro/index.cfm>)

Organisations established in countries outside the Euro-zone should be aware that they fully carry the exchange rate risk.

The budget must be properly balanced. Please list all income and expenditure. **The two totals must be the same**, since the available income will have to finance the planned expenditure. In order to allow the Commission to assess the cost effectiveness and the feasibility of the proposed action, please make sure that you include all the items related to the activity, and not just those which you want the Commission to finance.

1.3. Expenditure must be certified

All expenses indicated in the final financial statement must be entered into the organisation's accounts and be identifiable and verifiable. Only costs actually incurred by the beneficiary in carrying out the action can be declared in the final financial statement to be submitted within 3 months following the closing date of the action specified in your grant agreement.

Applicants are informed that the final report and the request for final payment shall be accompanied by a declaration signed by the beneficiary certifying the final costs and income.

1.4. Expenditure must be audited

Applicants must also include provision for all expenditure incurred during the lifetime of the action to be audited by an approved external auditor¹. The audit report shall be attached to the request for final payment. Its purpose is to certify that the submitted accounts are sincere, reliable and substantiated by adequate supporting documents, that they comply with the financial provisions of the agreement, that the costs declared are the actual costs and that all receipts have been declared. Costs arising from this may be included in the budget of the action as eligible direct expenses under the section relating to services. The Commission reserves the right to refuse to take into account for reimbursement purposes any expenditure not so audited. The audit obligation shall not apply for public bodies.

2. SPECIFIC RULES GOVERNING THE BUDGET PROPOSAL

2.1. Presentation of the budget section

The Budget Annex for VP/2006/014 of the application form (found in SWIM) is the budget section of your proposal.

The budget section of the proposal must be presented on these sheets. Other presentations will not be accepted by the Commission.

Do not forget that the Commission needs to be provided with all specifications and details to adequately examine your budget. Specifications and quotes for budget headings with an amount higher than 1 500 € should be enclosed (on a separate A4 sheet) and clearly identified as to the related heading or item of expenditure in the detailed budget

¹ This external audit shall be carried out by an independent body or expert officially authorised to carry out audits of accounts.

2.2. Eligible and ineligible costs

2.2.1. Eligible costs

Eligible direct costs are those directly generated by carrying out the action and which are indispensable for its execution. Only expenditure generated during the lifetime of the action (i.e. during the period of performance as will be specified in your grant agreement) may be considered as eligible. Please be sure that all expenses are reasonable, justified and in-line with the rules of good and sound financial management, in particular in terms of value for money and cost-effectiveness. As a general rule expenses must not exceed the best conditions available on the market nor be superior to the Commission's rules for those expenditures (see detailed comments on items below). The Commission reserves the right to refuse and/or limit the funding of specific unit costs in the Budget Estimate if these are judged too high.

2.2.1.1. Direct eligible costs

Personnel costs

The costs of personnel paid as part of the implementation of the project should be based on gross real salaries or emoluments plus social security charges/contributions and other statutory costs included in the remuneration, to the exclusion of all other expenditure. Remuneration must be calculated according to the number of persons, the number of days (working days exclusively devoted to the preparation and implementation of proposal) and the daily rate applied. The calculation of staff costs should be based on a maximum total of 220 working days per annum (or 20 days per month, whichever is the lower). They should not be greater than the usual salaries and other charges of the applicant, nor should they be higher than the generally accepted rates on the market for the same kind of service. You will have to provide in your application form full details on calculation of staff costs and functions performed on a separate sheet (annex in SWIM). When submitting the request for final payment, the Beneficiary may have to provide pay slips justifying the actual staff costs declared.

For personnel costs to count as eligible direct costs there must be a real and verifiable transfer of funds from the project to cover these costs either directly paying the staff involved or by a reimbursement of their parent organisation.

The remuneration of core staff of the applicant's organization/partner organization may be regarded as eligible expenditure if the assignment of the staff in question is genuine, necessary and reasonable in relation to the activity being subsidised and to the duration of the action. Thus, for permanent staff, a number of working days equivalent to a full time assignment is not allowed.

If the applicant is a public-sector body or is subsidised by the State, any civil servants assigned to the action whose salaries are paid from the state budget are to be considered as being financed by the applicant or by an external sponsor. Thus, to be considered eligible expenditure, the salaries paid to civil servants must be completely covered by the equivalent co-funding in cash. However, costs for staff recruited specifically for the purpose and the duration of the project are eligible.

Travel, accommodation and subsistence expenses

Travel:

Full details must be given of the journeys made including destinations, number of journeys, means of transport to be used and the number of persons. Those expenses must not exceed the best conditions available on the market nor be superior to the following Commission's rules for those expenditures:

- rail: first class.
- air: only for journeys over 400 km, economy class fare (maximum).
- car: on the basis of the first-class rail fare.

DSA (Daily Subsistence allowance):

The Daily Subsistence Allowance (DSA) is paid as a flat-rate amount and is considered to cover breakfast and two main meals, local travel, the cost of telecommunications, including fax and Internet, and all other sundries. They will be paid for each calendar day spent on mission away from the usual place of work (more than 100 Km), provided that the corresponding assignment is of a short-term nature. The DSA will vary according to the country in which the missions are to be carried out.

The Daily Subsistence Allowance (DSA) is to be calculated as follows according to the length of the mission:

- 6 hours or less: reimbursement of actual expenses (on production of supporting documents);
- more than 6 hours but not more than 12 hours: 0,5 DSA;
- more than 12 hours, but not more than 24 hours: 1 DSA;
- more than 24 hours, but not more than 36 hours: 1,5 DSA;
- more than 36 hours, but not more than 48 hours: 2 DSA;
- more than 48 hours, but not more than 60 hours: 2,5 DSA, and so on.

The agreed rates (in EUR per calendar day) to be used for the purposes of the action are set as follows:

NB: The separated amount for accommodation as indicated in the second column below is considered as an upper limit for the price of hotel room. This amount is to be added to the Daily allowance when the expert has to spend a night in the hotel. For each meal offered (or provided for in the catering costs for participants to a

conference), a deduction of 30% of the daily allowance is applicable.

Destinations	Daily allowance in €	Maximum hotel price in €
Austria	74,47	128,58
Belgium	84,06	117,08
Bulgaria	70,00	205,00
Croatia	60,00	120,00
Cyprus	50,00	110,00
Czech Republic	55,00	175,00
Denmark	91,70	148,07
Estonia	70,00	120,00
Finland	92,34	140,98
France	72,58	97,27
Germany	74,14	97,03
Greece	66,04	99,63
Hungary	50,00	165,00
Iceland	85,00	160,00
Ireland	80,94	139,32
Italy	60,34	114,33
Latvia	85,00	165,00
Liechtenstein	80,00	95,00
Lithuania	80,00	170,00
Luxembourg	82,00	106,92
Malta	60,00	115,00
Poland	60,00	210,00
Portugal	68,91	124,89
Romania	60,00	170,00
Slovakia	50,00	125,00
Slovenia	60,00	110,00
Spain	68,89	126,57
Sweden	92,91	141,27
Switzerland	80,00	140,00
The Netherlands	78,26	131,76
Turkey	55,00	165,00
United Kingdom	86,89	149,03

Different services

Publications, information and dissemination (including subscriptions, internet, advertisements, CD ROM, distribution, etc): costs incurred for such services if they are directly related to the activities mentioned in the work programme and insofar as these are not included under another budget heading. Please give, for each

publication and/or other material, a detailed nature of costs, estimate of the number of pages and copies planned, the frequency, the language, the quantity and an indication of the production costs per copy.

Translation of reports: details of translation costs must include the description of document, language translated (to... from...), the number of pages, the rate applied per page. Those expenses must not exceed the best conditions available on the market. Indicative estimated amounts per page (into): Danish 57€, German 46€, Finnish 52€, Italian 27€, Spanish 26€, Greek 30€, Dutch 51€, Swedish 41€, French 39€, Portuguese 27€, English 36€. Please note that for all expenses over these indicative costs, you will have to submit at least one estimate.

Interpretation and catering for conferences: *interpretation* costs must specify the language/number of interpreters/number of days/daily rate. Those expenses must not exceed the best conditions available on the market. Indicative estimated amounts necessary for the provision of *interpretation*: 600 € (VAT excl.) per interpreter per day (2 interpreters per language allowed), and for *rental of booths* (excluding technical equipment) 750 € (excl. VAT) per day; rent of booth with equipment and technical assistance 1200€(excl. VAT) per day.

Catering costs must specify the type of catering (coffee/refreshments, lunch, dinner, etc.)/number of persons/unit cost per meal/number of days. Catering costs may cover coffee-breaks and/or meals for participants (see supra for deductions applicable to daily allowance)..

Subcontracting costs: if the beneficiary has to conclude contracts in order to carry out the action, he shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests. If the beneficiary is a public sector body, it must comply with the Directives and with national legislation on public procurement.

In any case, the beneficiary of the grant shall retain sole responsibility for carrying out the action and for compliance with the provisions of the agreement. Under this call, recourse to the award of contracts may be allowed only if:

- they cover the execution of a limited part of the action;
- it is justified having regard to the nature of the action and what is necessary for its implementation.

Please indicate the full name and address of any sub-contractor, the precise nature of the tasks that will be entrusted to that person/organisation, the number of days/daily rate and enclose an estimate.

Financial audit: Applicants are informed that when asking for final payment of the grant, they must submit a final report and final financial statement of revenue and expenditure presented in the same format as the budget Annex for the application form along with an audit report made by an external approved auditor. Costs arising from this may be included in the budget as eligible direct expense. Please specify the full name and address of the potential external auditor, number of days/daily rate and enclose an estimate.

2.2.1.2. Indirect eligible costs - Overheads

Indirect costs are general costs/expenses directly generated by the carrying out of the activities contained in the work programme, up to a maximum of 7% of the total eligible direct costs. This is flat-rate participation to the beneficiary organisation's overheads costs, provided that the beneficiary is not receiving running costs grants from the Commission. Under this general heading the following running costs could be covered such as stationery, communication and connection costs, running postal costs and water/gas/electricity. If provision is included under this item of indirect eligible expenses in the accepted budget, it doesn't need to be supported by accounting documents.

The acceptable value of indirect costs will be finally established by the Commission at the end of the action by reference to the total of eligible direct costs. In no case can indirect costs exceed 7% of the value of these eligible direct costs.

2.2.2. Ineligible costs

The following are excluded:

- contributions in kind : these are contributions that are not invoiced, e.g. voluntary work, or equipment or premises made available free of charge;
- expenses incurred by a third party, and not reimbursed by the beneficiary/partner organisation;
- indirect eligible expenses which exceed more than 7% of total direct eligible costs;
- Provision for unforeseen expenses (contingencies);
- expenditure which is manifestly reckless or excessive;
- expenditure occurred outside the contractual period;
 - the cost of purchasing infrastructure equipment (except up to the amount of the annual depreciation of the equipment purchased);
- expenses related to the normal activities of the organisation rather than to the project;
- expenses declared by the beneficiary covered by another action or work programme receiving a Community grant;
- debt and debt service charges, doubtful debts;
- other interest owed;

- return on capital;
- exchange losses;
- provisions for losses or potential future liabilities;
- VAT, unless the beneficiary can show that he is unable to recover it.

2.3. Income of the action

Total income must be identical to total expenditure.

The budget form will indicate the grant you are seeking from the Commission (not above 85% of the total eligible costs) as one of your sources of income.

The applicant is reminded that the partnership must guarantee co-financing in cash of the remaining 15%. Please give in your provisional budget a detailed breakdown and description of all contributions, such as contribution in cash of the applicant from its own resources, other co-financing in cash from individuals, public bodies, grants listed by donor, income generated by the action (e.g. yield from sales, fees charged to participants attending a conference, membership contributions, etc.).

Signed letters of commitment must be provided stating the amount of each contribution in cash as mentioned in the income table of your estimated budget. Please use the standard letter of commitment provided for in the application form (Annex in SWIM).

Applicants are reminded that there is no provision for contributions in kind to be taken into account in this programme. Thus the costs of staff whose payment is not a direct charge on the project account cannot be included in the budget as part of the beneficiary organisation's matching funding. Voluntary work, which is a contribution not invoiced, is regarded as in-kind contribution and is thus not eligible under this call. Only personnel costs assigned to the project which involve a real expenditure would be considered as part of the contribution in cash.

II. General and special conditions in the grant agreement for actions under the present call for proposals VP/2006/014

After the decision to award a grant is taken, a 'grant agreement' will be concluded defining the rights and obligations of the parties, pursuant to *the Financial Regulation to the general budget of the European Communities* (Council Regulation (EC, Euratom), n° 1605/2002 of 25/06/2002 and its *detailed Rules for the implementation* (Commission regulation (EC, Euratom) N° 2342/2002 of 23/12/2002. For your information, these documents are available in the EU15 official languages at the following internet address:

Financial regulation:

http://europa.eu.int/eur-lex/en/archive/2002/1_24820020916en.html

Rules for the implementation: http://europa.eu.int/eur-lex/en/archive/2002/1_3572002123len.html

1. DURATION OF THE PROJECT

The maximum duration of the project and period of validity of a grant agreement will not exceed 18 months from signature of the grant agreement.

2. PAYMENT ARRANGEMENTS

- A *pre-financing* of maximum 30% of the accepted grant amount payable within 45 days of the date when the last of the two parties signs the agreement.
- A *further pre-financing* equivalent to maximum 40% of the accepted grant amount:

The beneficiary is allowed to request a further pre-financing payment once he has used up 70% of the previous pre-financing. The request shall be accompanied by a detailed statement of the eligible costs actually incurred (as per the format of the detailed estimated budget) and a progress report on the action's implementation. The further pre-financing payment is payable to the beneficiary within 45 days after the Commission receives the request for payment of further pre-financing.

The payment of pre-financing shall be made to the bank account or sub-account of the beneficiary as specified in the financial identification form attached to the application form. **Please note that this bank account or sub-account must make it possible to identify funds paid by the Commission.**

If the funds paid to this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits shall, if they are generated by pre-financing payments, be recovered by the Commission as it will be specified in Article II. 16.4. of your agreement.

- *Final balance due (payment or recovery order)*

Within three months following the closing date of the action, the beneficiary shall submit the final implementation report and the final financial statement of the eligible costs actually incurred (as per the format of the detailed estimated budget), a full summary statement of the revenue and expenditure of the action, a declaration from the beneficiary regarding the final costs and income and an external audit report on the action's accounts. The balance could take the form of a recovery order where the total amount of earlier payments is greater than the amount of the final grant. The Commission shall have 45 days to approve or reject the final implementation report or to request additional supporting documents or information; payment shall be made to the beneficiary within 45 days after approval by the Commission of these documents.

The beneficiary shall inform the Commission of the amount of any interest or equivalent benefits yielded by the pre-financing it has received from the Commission and shall reimburse them.

3. WITHHOLDING OF RELEVANT INFORMATION

Use of grants awarded to beneficiaries is subject to the Commission's financial control. The partial or total withholding by an applicant of any kind of information that may have an impact on the Commission's final decision will entail automatic disqualification of the application or, if discovered at a later stage, will entitle the Commission to unilaterally terminate the grant agreement in addition to demanding full repayment of all sums received by the beneficiary under the said agreement.

4. CHECKS AND AUDITS

The beneficiary undertakes to provide any detailed information requested by the Commission or by any other qualified outside body chosen by the Commission for the purposes of checking that the action and the provisions of the agreement are being properly implemented. The beneficiary agrees to allow the appropriate right of access to sites and premises where the action is carried out and to all information needed for the purposes of checks and audit. Such audit may be carried out throughout the lifetime of the agreement and for a period of five years from the date of payment of the balance. To this end, original accounting documents justifying items of expenditure must be retained by the beneficiary for five years following the final payment by the Commission.

5. FINAL REPORT AND EVALUATION

The final report must be drafted in either **English, French or German** and should, on the basis of the indicators mentioned below or other relevant data, answer at minimum the following questions:

1. How was the project carried out?
 - objectives
 - nature and type of actions
 - level of actions (European, national, regional, local)
 - participants (type of partners, respective inputs, participation methods etc.)
 - costs
2. How has the operation met the objectives of the budget heading?
Describe the project results and methodology (including concrete outcome such as conferences and publications) and target public reached
3. How were target groups/stakeholders involved?
4. What was the impact of the action and how has the project contributed to create European added value ?
5. What lessons have been learnt from this experience ?
6. Contacts and synergies with other projects during the Year, at European, or national level (if any)
7. Are there any plans to follow up this project, and if so, how?
8. How was the operation publicised and how and to whom have the results been disseminated ?

An electronic version of the final report should also be provided on a CD-ROM.

Should the final report be deemed to be inadequate and of low quality, the Commission reserves the right to request additional information within 45 days of reception of the final report, and, if necessary, to suspend the final payment until the requested information is provided.

The results and impact of the 2006 European Year of Workers' Mobility will be duly evaluated through an external evaluation of all activities funded under the European Year.

Examples of indicators by type of action to be used for the monitoring of the project results and the drafting of the final report are listed below:

Example of actions to achieve the operational objectives	Example of outcome indicators	Example of impact indicators
Seminar / exchanges of information	N° and type of participants Satisfaction rate	Type of learning effects Improvement of the knowledge base
Information and promotion activities	N° and type of information and promotion activities relevance of timing and message provided	Coverage of the media Quality in the communication Influence on policy process
Publication	N° of publication relevance of timing and message provided	% of target population addressed Quality in the message communicated Improvement of the awareness
On-line system to exchange good practices	N° of on-line input and n° of consultations	Quality of the messages Improvement of the of exchanges of good practices between MS
Survey / Studies	% of topics covered key issues and relevance of recommendations	Coverage of publication Improvement of knowledge base Use in the programming decisions

III. Checklist of the documents required for both obligatory transmissions of your application (A and B in the table below)

A. Hard copy transmission : please number the documents as shown below and send in the following supporting documents in triplicate (original + two copies and/or three copies where original is not required)

and

B. Electronic transmission : please transmit electronically the documents indicated in column B

		A	B
		Documents which to be transmitted with the hard copy (paper version) of your application	Documents to be transmitted electronically via SWIM
1	Original cover letter formally submitting the application for funding (please quote the call VP/2006/014) duly signed and dated by the legal representative of the applicant organisation	YES	NO
2	Original of the application form (https://webgate.ec.europa.eu/swim/displayWelcome.do?lang=en) including any continuation sheets, organization chart, etc. The application form should first be sent electronically via SWIM. It should then be printed out and signed and dated by the legal representative of the applicant organisation and transmitted with the hard copy of your application	YES	YES
3.	Annex 1 - Project description	YES	YES
4	Annex 2 – Project Budget (including any continuation sheets). The legal representative must sign and date the paper version of the Budget	YES	YES
5	Annex 3 - Original of the Declaration on Honour filled in and signed by the legal representative of the applicant organisation	YES	NO
6	Annex 4 – Calculation of staff costs	YES	NO
7	Annex 5 – Original signed letters of commitment (also stating the amount of each contribution of cash, if applicable)	YES	NO
8	Annex 6 – The financial identification form is to be signed and stamped by the bank and dated and signed by the applicant (Statement of the bank account details to which any payments for the proposal should be made – Warning: this account or sub-account must allow payments made by the Commission to be identified)	YES	NO
9	Annex 7 – The Legal entity form duly filled in and signed This "Legal entity" form should be returned together with: For public entity: * a copy of the resolution, law, decree or decision establishing the entity in question; * or failing that any other official document attesting to the establishment of the entity. For private entity (NGO, . . .): * a copy of any official document (e.g. official gazette, register of companies, etc.) showing the contractor's name and address and the registration number given to it by the national authorities;	YES	NO
10	Annex 8 - Detailed CV (educational and professional qualifications) and job specification of the person responsible for the overall management of the action (maximum length 3 pages)	YES	YES

