LIFELONG LEARNING PROGRAMME

Project Handbook

(Annex III – Guidelines for Administrative and Financial Management and Reporting)

Selection 2008

➢ **Multilateral projects**
➢ **Networks**
➢ **Accompanying measures**
➢ **Studies and comparative research**

IMPORTANT!

Before using this document please check that it is the latest available version. If there is a later version it will be posted on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting:

http://eacea.ec.europa.eu/llp/projects/reporting/index_en.htm

(Version history is located on page 2 of this Handbook.)

Version History

Version	Date	Comments
1.0	January 2009	First version for public release
2.0	July 2009	Second version for public release. List of main changes: Introduction: reference to the FAQ document 1.3.3: explicit recommendation to enter a partner agreement 1.4.2: clarification on submission date for Progress Report 1.4.3: some sentences re-formulated to add clarity on the style for public and confidential parts, on the signature by the legal representative and on the delivery and availability of outcomes produced 1.4.4: reasons for rejection of a report 1.6.2: clarification on how to request a change of co-ordinator 2.3.4: clarification on subcontracting costs concerning the number of offers 3.1: clarification on the delivery of annexes to Progress and Final Reports Annex 1: definition of Partner Agreement

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Introduction

Purpose of the Handbook

The Handbook applies to grants awarded in 2008 under the Lifelong Learning Programme. This includes the following types of project (action): Multilateral Projects; Networks; Accompanying Measures; Studies and Comparative Research. The Handbook and accompanying reporting templates form Annex III of your grant agreement (where they are called the 'Guidelines for administrative and financial management and reporting'). The Handbook is intended to serve as an aid to beneficiaries and a management tool for project coordinators. Its principal aims are to:

- help coordinators manage their projects and run them efficiently;

- clarify matters arising from the grant agreement and its annexes;

- provide practical information that may be referred to throughout the project's life;

- provide guidance on the methods of project monitoring and on the dissemination and exploitation of a project's results/products;

- provide guidance on how to handle the financial side of projects in such a way that financial statements can be readily drawn up;

- promote the sound financial management of a project and ensure that the best results/products are delivered at reasonable cost;

- encourage smooth relations between the parties involved by setting out an operational framework for the project.

Target Audience

This document has been produced primarily with beneficiaries and project coordination teams in mind. It is particularly aimed at project coordinators and those on the project responsible for its financial management. The Handbook will also be a useful source of reference to a consortium's partner organisations.

Other Documents

This document should be read in conjunction with your grant agreement, the Call for proposals 2008 and the Guide for applicants. Moreover, a FAQ document on financial and contractual issues is also available at http://eacea.ec.europa.eu/llp/projects/reporting/index_en.htm.

Feedback

In order to maximise the exposure of projects that have been co-funded by the Lifelong Learning Programme, the Progress and Final Reports have been redesigned to have a Public Part – for widespread, public dissemination – and a Confidential Part (for Agency use only). This will be explained in more detail in section 1.4 of the Handbook. However, as a consequence of this redesign, the Agency is interested in receiving feedback from the people who use the Handbook and the report templates that accompany it.

Therefore, once you have used the Handbook and produced a first report you are invited to provide your feedback on the experience. The feedback will help the Agency refine the documents and the process to the benefit of all.

Feedback can be sent to the Agency via the mailbox: eacea-llp@ec.europa.eu.

1   Management of your Project

1.1   Role of the Agency

The Education, Audiovisual and Culture Executive Agency operates as a partner for the European Commission. Whilst the Commission deals with policy setting and programme definition, the Agency is in charge of programme implementation for all centralised actions and aims to provide programme beneficiaries with a comprehensive administration and support service.

The Agency has a mandate to cover the whole lifecycle of projects. This includes publishing the Call for proposals, selecting the projects, establishing the contracts, monitoring the projects through to closure and reporting on the results.

During the project lifecycle the Agency provides support for the projects that have been launched, helping them to be successful, bringing them into contact with each other and assisting them with the dissemination of results.

The Agency manages the reporting and assessment elements of running projects and the accompanying payment of grant monies.

Once projects are complete, the Agency provides feedback to the Commission on the results of the projects and on the results of the Call in general so that this may inform future policy.

1.2   Your project in the lifecycle of the Lifelong Learning Programme

The Lifelong Learning Programme is implemented via an annual Call for proposals in response to which you submitted an application. With the help of external experts, the Agency evaluated your application and decided to allocate community funds for the realisation of the project you proposed. Because your project is funded by the Lifelong Learning Programme, it is expected to contribute to the policy priorities for which the programme was established. The full results of the selection are published on the Agency's website.

Your project starts with the signature of the grant agreement (contract) and then follows the workplan that is included in that agreement. Through the implementation of your project you carry out a number of activities and follow the milestones according to the workplan. The Agency co-finances the costs incurred in carrying out the project activities from the beginning until the end of the eligibility period set out in the grant agreement. Any project activities occurring outside of the eligibility period are not eligible for funding.

The co-financing of your project is implemented according to the rules set out in the grant agreement. At the beginning of the project the Agency transfers to you a first pre-financing payment which amounts to the percentage of the Community's contribution to the project costs set out in the agreement. Depending on the duration of the project, there may be a second pre-financing payment. (In some cases the Agency may seek a bank guarantee before these pre-financing payments can be made.) At the end of the project and after approval of the project results, analysis and approval of the costs incurred, the Agency will execute the final payment which is made up of the total eligible contribution less the payments already made.

To enable the Agency to monitor and assess the achievements of your project, you are required to submit a Progress Report and a Final Report. (For shorter duration projects the Progress Report may not be required.) Generally speaking, the Agency uses external expertise to assess the progress of a project and the quality of its results. As part of the monitoring activity, the Agency may organise a meeting with the key people on your project, whether in Brussels or at your premises.

If during the project's lifetime the need for modifications to the grant agreement arises, you may request an amendment to the Agency.

Dissemination and exploitation of your project and its results are very important as they determine the extent to which your results reach their intended audience and are subsequently utilised. Poor dissemination in particular can lead to duplicated effort and wasted resources. It is important therefore that you plan thoroughly your dissemination and exploitation strategy from the beginning of the project.

After the project's closure, the Agency reserves the right to launch an audit to verify the accounts. The grant agreement includes a specific requirement to keep records for a number of years after the closure of the project.

These areas are now presented in more detail in the body of this document, whilst a graphical representation of the project lifecycle can be seen in the flowchart which follows.

PROJECT LIFE CYCLE

| SUBMISSION OF PROPOSALS | ASSESSMENT OF PROPOSALS | SELECTION RESULTS | CONTRACTUALISATION |

Submission of proposals to the Education, Audiovisual and Culture Executive Agency.

The evaluation of proposals is undertaken by experts according to a number of criteria established within each Call for Proposals, which takes into account both formal and quality elements.

Lists of successful grant applications are established. All applicants are contacted: successful applicants receive individual notifications indicating the exact status of their projects. Unsuccessful applicants receive feedback on reasons for rejection and weaknesses / shortcomings in their application.

Applicants who have been successful in the selection process receive a grant agreement from the Agency. The Agreement indicates the grant awarded and sets out the Financial rules to be applied.
Payments are usually made in instalments.

REPORTING

MONITORING OF PROJECT

ELIGIBILITY PERIOD AND PROJECT ACTIVITIES

SUBMISSION OF PROGRESS REPORT

At the mid-point of the project life cycle, applicants are required to submit a Progress Report providing information on project implementation and expenditure incurred thus far. The report is assessed and only after its acceptance the second instalment can be paid.

The European Commission/Executive Agency monitors the implementation of the project through its life-cycle. In situ project visits and Thematic Monitoring initiatives are undertaken in some cases.

The Eligibility Period is the time during which expenses can be incurred and covered by the European Communities' grant. The length of the eligibility period depends on the project duration. Planned project activities are carried out.

SUBMISSION OF FINAL REPORT & AUDIT

At the end of the project, a Final Report is submitted which provides information on project implementation, results achieved and expenditure incurred. The report is assessed and given a rating and it is the rating which dictates whether the final payment is made in part or in full. Once the project has closed, the Agency/Commission may elect to carry out an audit within 5 years of the closure date.

DISSEMINATION AND EXPLOITATION OF RESULTS WITHIN PROJECT LIFETIME

DISSEMINATION AND EXPLOITATION OF RESULTS BEYOND PROJECT LIFETIME

1.3 Monitoring of the Project by the Agency

1.3.1 Purpose

The Agency is responsible for monitoring all the projects that have been successful in securing funds from the Lifelong Learning Programme. The main pupose of the monitoring is to provide support for each project, offering guidance and advice that can be integrated by the project team as it endeavours to achieve a successful outcome. The monitoring is also aimed at ensuring that projects are aligned with and fulfilling their stated objectives and continue to merit the public funds that have been allocated to them. Monitoring also allows good practices and lessons learned to be identified so that others may benefit from them.

To carry out the monitoring of each project, the Agency may appoint a member of the Agency staff as a point of contact: a project manager or a project officer. This person is responsible for project monitoring on a day-to-day basis and is the channel of communication between the Agency and the project coordinator. In addition, an Agency financial officer may be appointed to monitor the financial matters of the project as and when the need arises.

The project coordinator can communicate with the Agency's project manager or project officer by telephone, email or post. However, all important Agency decisions will be communicated in writing and addressed to the project coordinator or to the legal representative, depending on the nature of the communication. The Agency will not communicate with a third party without the prior written authorisation of the project coordinator.

1.3.2 What kind of monitoring?

The monitoring may be performed in one or more of the following ways:

- assessment of the work carried out and reported by the project (for this the Agency normally uses external expertise to analyse and assess the reports);

- visit by Agency representatives to the premises of the beneficiary/coordinating organisation (*in situ* visit);

- visit by Agency representatives to a project event or partnership meeting;

- visit by experts to review the work of the project and report back to the Agency;

- visit by project representatives to the Agency;

- invitation to project representatives to visit the Agency to participate in an event organised by the Agency.

Visits by Agency representatives may be undertaken by Agency staff, external experts or a combination of the two.

The above list is not exhaustive – additional project monitoring methods may be developed in response to new needs that arise.

If the monitoring requires a visit to your premises, the Agency will confirm in advance and in writing the purpose of the visit, the issues to be addressed and, where appropriate, the list of

documents that should be made available or submitted in advance. The Agency's representative and the project coordinator will work together to ensure that the visit is well planned and prepared.

On occasion, the Agency may request that the legal representative attends a particular meeting.

In the majority of cases, the Agency provides feedback to the project coordinator after any meeting has taken place.

1.3.3 *Visit to the beneficiary/coordinating organisation (in situ visit)*

An *in situ* visit to the beneficiary/coordinating organisation can take place at any time during the lifetime of the project. The main objectives of the visit are: to verify the status of the project's implementation and the preparation of its outputs; to obtain a clear picture of how well the project is being managed; to see how well partners are cooperating; and to provide the project with support and guidance. At a more detailed level, the visit will focus on the follow-up of the workplan, project outputs, communications, administrative practices, project documents as well as on general questions relating to the financial management of the project.

The project coordinator is required to attend and, if the beneficiary and coordinating organisations are different, the Agency may also request the participation of a representative of the beneficiary organisation. The Agency may also request the attendance of the person responsible for the financial management of the project. Generally speaking, the project team representation will be dictated by the reasons for the visit and the items to be addressed. On the Agency's side, the Agency project officer/s may be accompanied by an external expert/s or the visit may be solely undertaken by an external expert/s.

The documents which should be made available for the Agency during the *in situ* visit will be specified by the Agency in advance. These could include, but may not be limited to, the following:

- any results/products available at the time of the visit;

- partner agreements (recommendable for all projects);

- minutes of the partnership meetings;

- documents related to products;

- copies of the money transfers to the partners;

- documents related to financial monitoring (e.g. internal reports);

- subcontracting agreements and invoices;

- internal and external evaluation reports, including results of testing;

- quality plan;

- dissemination and exploitation plan, including intellectual property and commercialisation agreements where appropriate;

- publicity material.

1.3.4 Visit to a partnership meeting and/or project event

The Agency may attend a project event or a partnership meeting as an observer in order to become acquainted with the progress of the project. If the visit is to a partnership meeting, each partner would generally be expected to describe during the meeting their contribution to the project and demonstrate their activities and outputs. The Agency's representative may be accompanied by an external expert.

The Agency representative may also wish to cover specific areas related to project implementation. In this instance, the Agency may take the opportunity to cover management issues at a *separate* meeting with the coordinator and other project representatives. This would follow the format of the *in situ* visit described above (section 1.3.3).

1.3.5 Invitation to Visit the Agency

The project coordinator and others from the project team may be invited for a meeting at the Agency's premises. The documents that the coordinator will be expected to bring will be specified by the Agency in advance. See the documents listed in section 1.3.3 for the documents that are most likely to be requested. The coordinator/coordinating team may be asked to give a presentation outlining the current status of the project and its outputs.

1.3.6 Invitation to an event organised by the Agency

Up to two meetings per year may be organised by the Agency for project representatives e.g. a kick-off meeting or a cluster meeting. The participation in these meetings is mandatory. (Article I.3.5 of the grant agreement refers.)

The coordinator may also be invited by the Agency to participate in other meetings and to present the project. The expenses related to the participation in such meetings are considered as eligible costs and should be covered by the project's budget.

1.4 Progress Report and Final Report

1.4.1 Purpose of the Reports

Reporting on your project's progress and achievements is both a crucial and beneficial part of the project management process. The reports you are required to submit serve a dual purpose:

- <u>For your own benefit and use.</u> The reports are a means of communication from you to your peers about the project you are undertaking - you place the knowledge created in your project at the disposal of the wider community. Through their dissemination, you increase the potential for discovering initiatives that share common ground with yours and you increase the chances of being contacted by interested parties with useful input or feedback.

- <u>For the Agency's benefit and use.</u> The assessment of the reports enables the Agency to take a decision on the continuation of the project and also leads to the launch of the next payment, whether it be the second pre-financing one or the final one.

Depending on the duration of your project, you will be required to either submit a Progress Report *and* a Final Report or simply a Final Report. The Progress Report provides the Agency with a mid-term update on how a project is advancing against original plans and budgets whilst the Final Report is due at the end of the project thus allowing an overall evaluation of the project.

(Reminder: projects of 18 months' duration or less are **not** required to submit a Progress Report.)

In order to provide a practical and structured means for a project to report its progress and achievements, the Agency has prepared a pair of report templates – including a financial reporting table – accompanied by instructions on how to complete them. The link to the templates can be found further down in this section.

In order to simplify the reporting exercise the templates are identical for both the Progress Report and the Final Report. However, the different requirements of reporting at the mid-term or end of a project are taken into account. The approach that has been taken is expected to facilitate compliance with reporting obligations towards the Agency as well as enable the identification of best practice and the extraction of qualitative and quantitative analysis and statistics.

The layout, required content and processing of the reports is now described throughout the remainder of this subsection whilst practical instructions for working with the templates can be found in section 3 of this Handbook.

1.4.2 Reporting period

At the mid-term point of a project, the Progress Report becomes due. In order to allow projects time for report preparation, the reporting period for the Progress Report runs from the start date of the project until **one month prior** to the submission date of the report. For the submission date of your Progress report please refer to Article I.5 of your grant agreement. The Progress Report may **not** be submitted earlier than the date cited in your grant agreement as it must cover the period referred to above.

For the Final Report, the reporting period covers the entire project duration and the submission date falls **two** months after the end of the project.

1.4.3 Structure of the Reports

a) Overview

Both the Progress Report and the Final Report have the same basic structure consisting of 2 parts:

- a *Public Part,* including an Executive Summary;

- a *Confidential Part.*

The Public Part presents the content of the project and its achievements. It is aimed at peers and is intended for widespread public dissemination. The Confidential Part presents information about the management of the project, the contract and the finances. It is aimed at the Agency and remains private.

The Public Part contains the description of the project's objectives and results, how they were achieved, how they will be exploited and how they contribute to EU policies. It is a document intended for general, external communication, including people who will not be familiar with the sector your project addresses. Consequently, this part of the report should contain as little jargon as possible and be readily understandable to any interested reader. Please do not therefore copy and paste content from your original application into the report as this is likely to transfer specialised language into it. The report must also be of a suitable quality that it can be directly published by the Agency and the project/beneficiary organisation.

The Confidential Part contains administrative and management information including for example workplan deviations, mandatory statistical data, any confidential results and a detailed financial report. This document will only be viewed and analysed by representatives of the Agency and by the external experts engaged in project evaluation. It will provide the main source of information to enable the Agency to judge the project's performance and decide upon the continuation of the project and/or the payment of the due part of the grant. In contrast with the Public Part, the terminology used in the Confidential Part must be coherent with the original application i.e. you must use the same codes and deliverable titles.

> If there is any information or issue that the project wishes to raise but which it does **not** consider suitable for external communication then it should be included in the Confidential Part.

Please note: the Public and Confidential Parts of the report when put together should offer the complete picture of a project thus enabling it to be fully evaluated. However, the two parts should not contain the *same* information.

Where the Progress Report and the Final Report are expected to differ is in the degree of confidential information that they contain. It is expected that the Confidential Part of the Final Report will be more substantial than its counterpart in the Progress Report.

b) Structure of the Public Part

The following section defines the layout and content of the Public Part of the report, the template for which can be found on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting (see link on the front page of this document). Instructions for preparing and submitting the template can be found in section 3 of this Handbook.

Executive Summary

As an introduction to the report, the Executive Summary should briefly describe what has been accomplished. The following core content is recommended.

- Target audience – who the report is aimed at.

- Project objectives with explicit reference to the target users (user groups which will benefit from the project results).

- Participants involved – not a list of partners but a description of the consortium with expertise available, complementarities, etc.

- Approaches used – methodologies, strategies, analysis, tests carried out etc.

- Major results/products achieved (achieved to date). These can be tangible or intangible outcomes, lessons learnt, etc.

- Plans and prospects for the future including how the results/benefits will be sustained.

- Details of the project website.

The above list is not intended to be exhaustive; you can develop it to suit your project.

Main Body

This section of the report should build on the brief description of the executive summary, adding more detail but keeping the style and language suitable for a general public readership. Accordingly, copying content from the original application does not suit the external communication purpose of the Public Part and is to be avoided. Likewise, the use of EU project-related terminology and codes e.g. for deliverables and products is not recommended. Use instead the actual titles and names of the various deliverables and products.

The report should include details of all products/results produced within the reporting period in accordance with the approved workplan. It may contain diagrams and pictures illustrating the work of the project. As with the Executive Summary, it should be of a quality that allows it to be published without further revision or editing

The main body of the report should include as a minimum the numbered headings (1-6) found in the table below. Please follow the same order and use the same headings for your report. If you feel that these headings do not adequately reflect the full scope of your project you may include additional headings. The suggested content in the right-hand column of the table can be developed and expanded as necessary.

Report Structure for Main Body – *Public Part*	
Progress Report & Final Report	
Required Headings	**Suggested Content**
1. Project Objectives	• Describe the project objectives. • Explain how the project benefits a specific community of users and how they are involved in the project. • Describe the potential impact upon and benefits to the target user group.
2. Project Approach	• Describe the methodologies, surveys, analyses, tests carried out (if applicable), set-up of cooperation for the networks, etc. • Where relevant, address the added value of the approach used. Added value may be considered from the pedagogical, organisational or political point of view, depending on the nature of the project. • Include the evaluation strategy, approach, results etc. • Describe the dissemination and exploitation strategy and activities. Emphasise how they contribute to the sustainability of the project results.
3. Project outcomes & results	• Describe the major achievements and results of the reporting period. Make explicit the link between results and objectives. • For final products/results, explain the impact of outcomes and results on the target groups. • Indicate where results can be found e.g. website details, contact details.
4. Partnerships	• Describe the added value of the multi-country partnership in executing the project (specifically, European added value). Where appropriate, refer to the added value related to the geographical coverage. • Emphasise the experience of working together in a European partnership. • Describe the benefits of partnerships established with groups outside of the direct project/consortium e.g. with target users.
5. Plans for the future	• For **Progress Report only**: include a description of plans to carry out the remaining work to achieve the project objectives • For **Final Report only**: emphasise the exploitation of

Report Structure for Main Body – *Public Part*	
Progress Report & Final Report	
Required Headings	**Suggested Content**
	results beyond the project's lifetime. For example, this may concern aspects on commercialisation, intellectual property rights, copyrights etc in as far as they are not confidential. Sustainability of the project's outcomes is a key element of this section.
6. Contribution to EU policies	Summarise how this project contributes or has contributed to key EU policies, objectives and priorities (Lisbon, Bologna, Bergen, etc). This relates to section D8 of the application form.

c) Structure of the Confidential Part

The following table describes the layout and required content of the Confidential Part of the Progress and Final Reports, the template for which can be found on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting (see link on the front page of this document). Your submitted report should respect the numbering, order and layout that has been defined. Instructions for preparing and submitting the template can be found in section 3 of this Handbook. Additional explanatory notes on the required content can be found in the template itself.

You should annex to the Confidential Part any document produced within the project that provides useful information for the assessment of the project performance. For instance, minutes of the partnership meetings, any dissemination material you have produced, any further products (publications, CD-ROMs, DVD, promotional material, articles published, etc). If any of this material is in preparation when the Progress Report is due, you are encouraged to submit draft versions with your Progress Report which would allow the Agency to understand the state of progress.

Report Structure – *Confidential Part*	
Progress Report & Final Report	
Required Headings	**Required Content**
1. Declaration Page	Provide the formal declaration of the accuracy of the information provided in your report and confirmation that a process of consultation and approval has been carried out throughout the partnership. When submitting a Progress Report, don't forget to delete the two text lines that relate to the submission of a Final Report. When submitting a Final Report, don't forget to delete the two text lines that relate to a Progress Report. Also for a Progress Report, do not enter any euro amount.

Report Structure – *Confidential Part*
Progress Report & Final Report

Required Headings	Required Content
	Make sure that the declaration is signed by the legal representative (see definition in annex 1). If the declaration page is signed by the wrong person, the Agency will not be in a position to accept the report, which would delay the due payment.
2. Outcomes / Results / Products	Provide a complete list of all results / products / outcomes delivered by the project along with details of variations from the initial plan. Provide also a list of all products that have been delivered with the report. Guidance is provided in the template. Please number your products and make sure that the numbers match those in the list. If any important outcome is stored in a restricted area of your website e.g. it is subject to login requirement or password protection, do not forget to provide the login/password in section 8 of the Confidential Part.
3. Implementation of the workplan / tasks	Describe the problems encountered and their proposed solutions (Progress Report) or the solutions already implemented (Final Report). Present the deviations in tabular format, using the workpackage titles, types and references that you used in section E1 of your application form.
4. Impact	Based on the information you provided in section 4 of your application form, report on the short-term and long-term impact targets associated with dissemination and sustainability.
5. Involvement of Partners	Indicate the involvement of each partner in your workpackages. • Link the activities carried out to the involvement of the various partners. Do not simply repeat what was written in the Public Part and in the application. • Project meetings: provide details of the meetings organised, their dates and locations and the participation of partners. Provide also minutes of the partnership meetings with a list of participants in annex to the report. Specify the purpose of the meeting (partnership meeting, preparation for conference, training event, workshop, etc). • Use partner codes as per financial table.
6. Involvement of Staff	List the members of staff involved on the project per category, per partner. Include the period of their assignment.
7. Management Aspects	Describe the tools and methods put in place to manage the consortium, to ensure cooperation among partners and to implement quality assurance. This includes the internal monitoring system and tools used to assess the project's progress. Provide details of the changes to the partnership that have taken place (withdrawals/replacements) and the impact on the work plan if any

Report Structure – *Confidential Part*
Progress Report & Final Report

Required Headings	Required Content
	(remember that any change to the partnership is subject to a formal amendment and has to be approved by the Agency). Report on any particular difficulty the project encountered related to the management of the partnership.
8. Dissemination & Exploitation	• Provide details of confidential results, intellectual property rights' issues, copyrights, potential commercialisation (where applicable), benefits to the user group. • Include login and password details for any confidential areas of the project website/s. This is very important for gaining a global picture of the project outcomes, especially if there are any products stored in restricted areas of your website.
Annex 1 Financial Reporting table	The Financial Reporting table consists of an excel workbook that must be completed and submitted as Annex 1 to the Confidential Part. This applies to both the Progress Report and the Final Report. The excel workbook is located on the on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting (see link on the front page of this document). Instructions for preparing and submitting the template can be found in section 3 of this Handbook. This Financial Reporting table has been designed to also operate as an in-life project management tool.

d) Project Outcomes and Results

Three copies of each product generated by the project should be submitted with the Progress and Final Reports. Any other piece of information that the project deems to be relevant for the assessment such as meeting minutes, testing results etc should be attached to the Confidential Part.

1.4.4   *Processing the Reports*

Each report must be submitted to the Agency by the deadline indicated in the grant agreement. Late submission may considerably delay the process of analysing and assessing the report which may in turn cause payment of due funds to be delayed.

In general, the Agency uses external experts to help with the analysis of the report, the evaluation of the quality of the work accomplished and the formulation of an overall assessment. The experts engaged by the Agency are obliged to declare up front (i.e. in advance) that no conflict of interest exists in relation to the projects they will assess.

If a report is incomplete (for instance, some parts are missing or incorrect) the Agency may request that further information be supplied and provided through the submission of a new, updated version of the report. The submission of a new version of the report is especially

important if the Public Part is not of sufficient quality and completeness to enable eventual publication (see also section 1.4.7 of this Handbook). However, if the information missing or incomplete relates to the Confidential Part, the Agency *may* decide that the additional information can be submitted separately i.e. without the project having to submit a new version of the report. The Agency will specify the form in which the additional information should be submitted. In these cases, the period foreseen in the contract for payment will be suspended until the additional information has been received by the Agency.

In addition, there are a number of elements that are indispensable for the Agency to carry out an analysis of the report. The absence of any of these elements would render the Agency unable to assess the report and would thus lead to a rejection of the report until the missing information had been provided.

Rejection will occur if:

- The signature of the legal representative – see definition in annex 1 – is missing (the signature of a person other than the legal representative cannot be accepted);

- The Public Part is missing;

- The Confidential Part is missing;

- The financial reporting tool (electronic version) is missing;

- The report has been submitted using wrong templates;

- The report has been submitted in a language other than English, French or German.

Based on the experts' assessment and the recommendations they make, the Agency takes a final decision with regard to the payment of the due part of the grant. In the event that the report is not complete and additional information needs to be submitted, the payment that is dependent upon the report's positive evaluation is likely to be delayed.

Once the assessment is complete, the Agency will inform the project of the final evaluation i.e. its decision and feedback on the project's progress and achievements.

1.4.5 Specific requirements for the Final Report

The Final Report becomes due after the formal end of the project allowing the project to be reported on and evaluated in its entirety. Consequently, all contracted project activities should be complete and products finalised by the time the report is submitted.

The assessment of the Final Report includes the following elements.

- An appraisal of the quality of the project's results and products. In addition to analysing the quality of individual results, this includes checking that the activities carried out correspond to the activities that were defined in the original plan.

- An evaluation of the eligibility of declared expenditure and of the project's adherence to its budget.

- A verification of the measures taken to guarantee the successful dissemination and exploitation of the project's results and products.

1.4.6   Weak implementation of a project

As stated in the grant agreement, the Agency "may reduce the amount of the final grant taking into consideration the final assessment of the project outcomes, based upon the opinion of external experts." (Article I.10.2 refers.)

The experts carrying out the final assessment will give an overall judgement on the project made up of a 'qualitative' grade and a numerical rating. The values given will reflect the quality of the products as well as the performance of the partnership. They will also take into consideration the project objectives defined in the workplan.

The rating values – which dictate the precise level of reduction of the grant, if any – run from 0 to 10, where 0 is at the bottom of the rating scale and 10 is at the top. Where the rating recommended by the external experts and confirmed by the Agency lies between 0 and 4, the Agency may decide to have the project reassessed. If a reassessment is carried out and the views of the experts differ, the final consolidated rating will be determined by the Agency.

Where the rating falls between 0 and 4, a reduction of the Community contribution to the eligible staff costs will be implemented according to the following scale:

Final Assessment		Corresponding reduction to eligible staff costs in the final Community contribution
Grade	*Rating*	
Very Good	10	0%
Very Good	9	0%
Good	8	0%
Good	7	0%
Acceptable	6	0%
Acceptable	5	0%
Weak	4	25%
Weak	3	50%
Very Weak	2	75%
Very Weak	1	85%
Very Weak	0	85%

As mentioned above, the reduction will be applied to the total eligible staff costs. Once this amount is identified, the corresponding grant to the staff costs will be calculated in accordance with the co-financing ratio established in the grant agreement.

Example

A project with a co-funding ratio of 75% and total eligible staff costs of 100.000 EUR has been assessed as having a weak implementation and has been awarded a rating of 4. The reduction would be applied as follows:

Total eligible staff costs:	(A)	100.000 EUR
% reduction to eligible staff costs:	(B)	25%
Actual amount of reduction (= A x B):	(C)	25.000 EUR
Total eligible staff costs after reduction (= A - C):	(D)	75.000 EUR
Co-funding ratio:	(E)	75%
Total grant towards staff costs (= D x E):	(F)	56.250 EUR

In addition, the external expert may recommend that the contribution for other budget categories be reduced where it is considered that the costs are not necessary for the execution of the project or not justified by the work reported e.g. travel costs, equipment costs etc.

At the Progress Report stage, the same rating system will be used as a means of giving feedback to the project about its performance. At this stage the level of rating has no direct impact on any subsequent pre-financing payment. Nevertheless, the Agency may decide to reject the report if it is incomplete or hold back the payment if it is assessed as very weak. Decisions will be taken on a case-by-case basis.

1.4.7 Use of reports to strengthen the Dissemination & Exploitation of results

If, in the opinion of external experts, the quality of a project's achievements *and* the quality of the accompanying report are considered to be high, the Agency may publish the Public Part of the report on the Agency's website accompanied by a link to the project's website. To this end, the Agency will ask experts to give their opinion on both the quality of the project and the quality of the report. A project that scores less than 5 will not be considered for publication regardless of the quality of its report. For projects scoring 5 or more, the Public Part may be published provided that the quality of the report is considered high enough. If a high quality project submits a poor quality report, it may be invited to produce a second version of the Public Part so that the quality may be improved and the report eventually published, thus enhancing its dissemination potential.

The Agency may also use the Public Part as a direct input for publications, qualitative analysis, etc.

The project benefits from this approach since both the Executive Summary and the Public Part can be directly used to show the project results and can be published on the project's website.

Moreover, the reports can be published through the tools for dissemination and exploitation that the Commission and the Agency have put at the projects' disposal. For example, the EVE electronic platform and also the ADAM database that is available for Leonardo da Vinci projects.

Projects are bound by article I.10.1 of the grant agreement to provide information when requested.

1.5 Dissemination and Exploitation of Results

1.5.1 *Purpose of dissemination and exploitation activities*

Significant emphasis is placed on the impact of EU co-financed projects and on the concrete plans for ensuring that what they produce will be widely known about and widely used. The results generated, the lessons learned and the experience gained by each project team should be made available to the widest possible audience.

The primary means of making this happen are the twin activities of dissemination and exploitation, also known together as *valorisation*. Their key objective is to maximise the impact of project results by optimising their value, strengthening their impact, transferring them to different contexts, integrating them in a sustainable way and using them actively in systems and practices at local, regional, national and European levels.

Well-planned and well-executed dissemination and exploitation ensure that project results have a reach beyond those directly involved in the consortium and an impact that is sustained beyond the project's lifetime.

1.5.2 *What are project results?*

Project results are the products, methods, experiences and policy lessons that projects may realise. Broadly speaking, there are five main categories of result of which the first three are direct project results and the second two are indirect project results or programme-level results.

Result Category	Examples
Products	- reports and comparative studies; - handbooks and training tools; - innovative education and training modules; - new curricula and qualifications; - guidance material for new approaches and methodologies; - demonstrator, prototype; - online education and training material (e-learning); - conferences and cultural events; - seminars, debates and symposia.
Methods	- increased knowledge of the participants within a certain field and topic; - cooperation processes and methodologies; - managerial lessons learned and know-how; - exchange of ideas and good practice.
Experiences	experience gained by the project partners in the management and undertaking of transnational partnerships;

	• experience gained by individuals, e.g. from mobility periods; • exchange of experience and best practice through the establishment of networks.
Policy lessons	• drawn from the overall experience of projects within a programme or from individual projects that are particularly innovative or effective; • fed back to inform policy making e.g. in the Lifelong Learning field within the Commission and within member States.
European Cooperation	• new or extended European partnerships; • transnational sharing of experience and best practice; • cross-cultural dialogue and co-operation; • new dialogue and partnerships between EU and non-EU countries.

The different categories of results may require different approaches for dissemination and exploitation. For example, tangible results such as 'products' may be easily demonstrated with actual items, graphical representations and samples whereas intangible results such as 'experiences' may require alternative methods of demonstration such as survey results, interview analysis and accreditation programmes.

1.5.3 What are the dissemination and exploitation of results?

The activities of dissemination and exploitation are closely related but distinct from one another.

Dissemination can be defined as "a planned process of providing information to key parties on the quality, relevance and effectiveness of the results of programmes and initiatives. It occurs as and when the results become available."

Exploitation means "making use of and deriving benefit from (a result)". In the context of project results it primarily involves the two processes of 'mainstreaming' and 'multiplication', where:

Mainstreaming is the planned process of transferring the successful results of programmes and initiatives to appropriate decision-makers in regulated local, regional, national or European systems; and

Multiplication is the planned process of convincing individual end-users to adopt and/or apply the results of programmes and initiatives.

1.5.4 How to plan your dissemination and exploitation

Having a strong plan for dissemination and exploitation from the *start* of a project is a key priority for a Commission-funded project. It is for this reason that dissemination and exploitation workpackages formed a mandatory part of your application package. Creating the plan early on ensures that your intended users and their needs are central to your project from the beginning.

In planning these activities, the project team should be addressing the following kinds of questions:

- What needs does the project meet?

- What are the expected results?

- Who are the users/interested sectors who will benefit from the project's results?

Time should be spent on establishing who is expected to use the project's results and taking account of their needs. This should include all potential users, not just those from the immediate consortium. Plans should allow for consultation with, and the involvement of, users during the project's lifetime.

The key elements of the plan are:

- The types of dissemination and exploitation activity that will be used – the methods and mechanisms;

- The resources that will be required – people and budget;

- The timetable for the different activities;

- The strategy for extending the activities beyond the project's lifetime.

Once established, the dissemination and exploitation plan should be regularly reviewed and where necessary revised in light of the project's evolution. Any adjustments to the plan should be described in the Progress and Final Reports that you submit (see section 1.4 of this Handbook).

For more detailed guidance on writing a dissemination and exploitation plan please visit the DG EAC website at the following address:

http://ec.europa.eu/dgs/education_culture/valorisation/index_en.html

Amongst other things, this includes 'The EU's 5-stage plan for dissemination and exploitation' along with a dissemination toolkit and suggested mechanisms for both valorisation activities.

Please note that there are special conditions in the grant agreement that relate to dissemination. The first is the requirement for beneficiaries to establish and maintain a project website. The second is for them to provide information on request that would allow the Agency and/or the Commission to promote the Lifelong Learning Programme and to disseminate results. (Article I.10.1 refers.)

It should also be noted that the Public Part of the reports will be made available – quality and rating levels permitting (see Handbook section 1.4.7) – by the Agency/the Commission for people to download, copy and distribute freely in accordance with article II.3.2 of the grant agreement.

1.5.5   Recognition of Commission funding and use of LLP logo

Project publications and results that are distributed must make reference to the co-financing that the Commission has provided and should incorporate the LLP logo. This visibility helps increase awareness of the Lifelong Learning Programme and helps ensure the continuation and longevity of its operation.

The LLP logo can be found at:

> http://eacea.ec.europa.eu/about/logos_en.html

The funding disclaimer text is available in all languages at:

> http://ec.europa.eu/dgs/education_culture/publ/graphics/agencies/use-translation.pdf

Failure to acknowledge the Community funding may lead to the costs related to a particular activity being declared ineligible. For example, in the case where the activities included research and publication, if the publication fails to mention EU funding, then the costs of research would still be eligible but the costs of publication would be declared ineligible.

1.6   Amendment Requests

As indicated in your grant agreement, any amendment to the grant conditions must be the subject of a written supplementary agreement. (Article II.13 refers.)

The amendment request must duly justify the reasons for the proposed changes. The Agency reserves the right to reject an amendment request that is not justified.

It is important to understand that the amendment request should not be used retrospectively i.e. changes that have in reality already been carried out prior to the submission of the request should not be retroactively requested. In particular, retroactive changes to the eligibility of costs through an amendment will only be accepted in exceptional cases due to extenuating circumstances.

Any request for amendment has to be submitted to the Agency at least one month before the closing date of the action. (Article II.13.3 refers.)

Any amendment request must be submitted to the Agency by an official letter or form (see below) signed by the legal representative of the beneficiary, that is, the person who signs the contract or his/her legal replacement.

1.6.1   Amendment request using a specific template

To request an amendment, please use the formal Amendment Request form which can be found in English, French and German on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting (see link on the front page of this document). Here you will find the templates for requesting an amendment to the grant agreement for the following circumstances:

> A - Change of the beneficiary organisation or change of name of beneficiary organisation
> B - Partner(s) withdrawal
> C - New / replacement partner(s) joining the project
> D - Changes to the work programme
> E - Change of bank account
> F - Changes to the eligibility period
> G - Changes to the budget breakdown (see also 1.6.3)

Guidance on filling in the form can be found on page 2 of the form itself.

1.6.2   Amendment request without a specific template

The following sections describe cases where use of the form is not needed.

Change of coordinating organisation

If your request is to change the coordinating organisation – whilst the beneficiary organisation remains unchanged – it is not strictly necessary to use the form if the new coordinating organisation is an *existing* partner in your consortium. This is because the change of the coordinating institution does not necessitate changes to the grant agreement.

If a partner that is new to the project assumes the responsibility of the coordinating organisation, then you should complete section C of the amendment form related to "New partner" and answer "Yes" to the question "Will this partner act as the Coordinator of the project?"

Where necessary, a new work plan with the task distribution broken down by partners and a new budget breakdown should be submitted. In this scenario, please use the appropriate Amendment Request forms to notify the Agency of the changes (see above).

Change of project coordinator

A change of project coordinator does not require the amendment request form to be used. A letter informing the Agency about the reasons for the envisaged change and stating that there is no objection from the project partners to the change of the project coordinator is sufficient.

The letter should include a description of the competences and experience of the new coordinator. It must also include all the new coordinator's contact details (telephone and fax number, address, email, etc).

Change of legal representative of the beneficiary organisation

In this case it is not necessary to use the amendment request form. A simple letter with an official document confirming the capability of the new legal representative is sufficient. Examples of official documents include statutes and minutes of the Board.

The letter should include all the contact details of the new legal representative (telephone and fax number, address, email, etc).

1.6.3 Cases where an amendment request is NOT necessary: change to the budget breakdown per heading)

An amendment request relating to an adjustment to the budget breakdown is not necessary when the transfer between budget headings (staff, travel, equipment, subcontracting, others) does not exceed:

– 10% of the amount of each heading of eligible costs for which the transfer is intended or

– EUR 5.000

whichever is the larger. (Article I.3.4 refers.). In all other cases an amendment request is necessary (see G in 1.6.1)

When assessing your Final Report, the Agency will accept that costs declared do exceed the budget following this same rule (by budget heading of cost).

This rule is not applicable to indirect costs as they are always limited to 7% of eligible direct costs.

Please note that it is not possible to modify the total budget, the amount of the grant or the percentage of community funding.

Examples

If you intend to increase the budget allocated to staff from EUR 30.000 to EUR 34.000, no formal amendment request is necessary. This is indeed an increase of more than 10% but less than EUR 5.000.

Likewise, if you intend to increase the budget allocated to staff from EUR 70.000 to EUR 76.000, no formal amendment request is necessary. This is indeed an increase of more than EUR 5.000 but does not exceed the permitted 10% level of increase.

On the other hand, if you intend to increase the budget allocated to staff from EUR 30.000 to EUR 38.000, a formal amendment request is necessary as this is more than 10% *and* more than EUR 5.000.

2   Financial rules

The following financial rules must be read together with the Call for proposal and the Guide for the applicant and in particular with the administrative and financial rules available under http://ec.europa.eu/education/programmes/llp/guide/adminrules_en.pdf, from which most of these rules are taken.

> The following sections apply to the beneficiary and all its partners within the consortium
> (e.g. the rules on staff costs apply to all partners of the consortium including the beneficiary)

They will be progressively illustrated with Frequently Asked Questions (FAQs).

2.1   General Provisions on Eligibility of Costs

The general context, nature and amount of expenditure will be considered when assessing eligibility.

To be considered as eligible costs of the project, costs must satisfy the following general criteria:

- They must relate to activities involving the **eligible countries** in the Lifelong Learning Programme (see Chapter 3.1 of General Call for Proposals 2008-2010 Part II: Administrative and financial provisions[1]). Any costs relating to activities undertaken outside these countries or by organisations that are not registered in an eligible country are not eligible unless they are necessary for the completion of the project and duly justified in the application form and in the report and/or agreed in advance with the Agency through the exchange of letters.

- They must be incurred by **legal bodies/institutions or by natural persons** depending on the project concerned (See Chapter 3.2 of General Call for Proposals 2008-2010 Part II: Administrative and financial provisions), and in the case of consortia, by the official partners of the consortium;

- They must be **connected** with the project (i.e. relevant to the project and be directly connected with the execution of the project in accordance with the approved work plan);

- They must be **necessary** for the execution of the project;

- They must be **reasonable and justified** and they must accord with the principles of **sound financial management**[2], in particular in terms of value for money and cost-effectiveness;

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[1] http://ec.europa.eu/education/programmes/llp/call_en.html

[2] Costs shall be defined in accordance with the principle of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness. The principle of economy requires that costs shall be

- They must be **generated** during the lifetime of the project[3] (See Chapter 1 of General Call for Proposals 2008-2010 Part II: Administrative and financial provisions);

- They must be **actually incurred** by the beneficiary and be recorded in his accounts in accordance with the applicable accounting principles, and be declared in accordance with the requirements of the applicable tax and social legislation;

- They must be identifiable and verifiable.

The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and revenue declared in respect of the project with the corresponding accounting statements and supporting documents. For scales of unit costs, this implies that the "number of units" must be recorded in appropriate documents (e.g. timesheets, attendance lists, etc.).

Where national taxation and accounting rules do not require an invoice, an accounting document of equivalent value means any document produced in order to prove that the accounting entry is accurate and complies with the applicable accounting law.

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defined in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

[3] i.e. generated by an activity that takes place during the lifetime (legal duration) of the project / action. Activities taking place before or after the period specified in a grant agreement are not eligible for funding.

2.2   Non–eligible Costs

Under no circumstances can the following types of costs be considered as eligible:

- return on capital;

- debt and debt service charges;

- provisions for losses or potential future liabilities (provisions for contractual and moral obligations, fines, financial penalties and legal costs);

- interest owed;

- doubtful debts;

- exchange losses;

- VAT, **unless** the beneficiary organisation can prove that it is unable to recover it;

- costs declared by the beneficiary and covered by another project or work programme receiving a Community grant;

- excessive or reckless expenditure;

- purchase of capital assets - only depreciation is eligible;

- in the case of rental or leasing of equipment, the cost of any buy-out option at the end of the lease or rental period;

- costs associated with the preparation of the application for the Lifelong Learning Programme;

- costs of opening and operating bank accounts (transfer costs are eligible);

- costs incurred in relation to any document required to be submitted with the application (audit reports, etc.);

- costs incurred by silent / ineligible partners.

2.3   Categories of Eligible Direct Costs

The eligible direct costs for the project are those costs which, with due regard for the conditions of eligibility set out above, are identifiable as specific costs directly linked to performance of the project and which can therefore be booked to it directly.

2.3.1   Staff

Costs relating to the following categories of staff are considered:

- Statutory staff, having either a permanent or a temporary employment contract with the partner.

- Temporary staff, recruited through a specialised external Agency.

Costs related to staff working through subcontracting shall be included under the appropriate category (see section 2.3.4).

Staff members of project partners are not allowed to operate in a subcontracting capacity for the project.

Beneficiaries should report staff costs based on real daily staff cost rates, which cannot exceed the maximum rates published in the Call for proposals 2008-2010 Part II (the relevant table [5e] containing these rates has been posted on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting). Any surplus will be considered as ineligible. The veracity of these costs may be the subject of an audit.

The rate of the country in which the partner organisation is registered will be applied, independent of where the tasks will be executed (i.e. a staff member of an organisation of Country A working (partly) in Country B will be budgeted on the basis of the rates of Country A).

Real daily staff cost rates are based on average rates corresponding to the Beneficiary's usual policy on remuneration, comprising actual salaries plus social security charges and other statutory costs included in the remuneration. Non-statutory costs like bonuses, lease car, expense account schemes, incentive payments or profit-sharing schemes are excluded.

2.3.2   Travel and Subsistence

a) Travel costs

Travel costs for staff taking part in the project are considered, provided that they are in line with the partner's usual practices on travel costs[4]. Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. For information on charging travel costs for non-staff members please refer to sections 2.3.4 and 2.3.5.

Reimbursement must be based on real costs, independent of the means of travel chosen (rail, bus, taxi, plane, hire car). Partners are required to use the cheapest means of travel (e.g. use Apex

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[4] For Comenius Multilateral projects involving mobility activities during Initial Teacher Training: Travel costs (based on real costs) and subsistence costs will be recorded separately under "Other Costs".

tickets for air travel and take advantage of reduced fares, where this is not the case then a full explanation should be provided).

The travel cost for a journey should include all costs and all means for travel from the point of origin to the point of destination (and vice versa) and may include visa fees, travel insurance and cancellation costs.

Expenses for private car travel (personal or company cars), where substantiated and where the price is not excessive, will be reimbursed as follows (whichever is the cheapest):

- Either a rate per km in accordance with the internal rules of the organisation concerned up to a max of EUR 0.22.

- Or price of a rail, bus or plane ticket. Only one ticket shall be reimbursed, independently of the number of people travelling in the same vehicle.

For hire cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of travel (also taking account of any influencing factors e.g. time, excessive luggage). Reimbursement takes place independently of the number of people travelling in the same vehicle.

b) Subsistence costs

Subsistence costs for staff taking part in the project are eligible[5].

The reported expenses should respect the maximum rates published in the Call for proposals 2008-2010 Part II (the relevant table [5f] containing these rates has been posted on the LLP webpage for the Guidelines for Administrative and Financial Management and Reporting). Any surplus will be considered as ineligible. The rate to be applied is the one from the destination country i.e. where accommodation costs are incurred. Costs may be claimed only for journeys directly connected to specific and clearly identifiable project-related activities. For information on charging subsistence costs for non-staff members please refer to sections 2.3.4 and 2.3.5.

Reimbursement must be based on the existing internal rules of the partner organisations, which may be on an actual cost (reimbursement of receipts) or daily allowance basis.

In either case, proof of attendance and overnight accommodation will be required to substantiate declared costs.

Subsistence rates cover accommodation, meals and all local travel costs (but not local travel costs incurred to travel from point of origin to point of destination).

A full day normally includes an overnight stay. In duly substantiated cases, a full day's allowance without an overnight stay may be allowed with a pro rata reduction for accommodation (costs limited to 50% of the maximum ceiling).

A corresponding reduction must be applied if accommodation, meals and local travel costs are provided for by a third party.

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[5] For Comenius Multilateral projects involving mobility activities during Initial Teacher Training: Travel costs (based on real costs) and subsistence costs will be recorded separately under "Other Costs".

2.3.3 Equipment costs

Purchase, rent or lease of equipment (new or second-hand), including the installation, maintenance and insurance costs, are considered:

- Only when specific and necessary for achieving the goals of the project. Proposed equipment costs must always be duly justified. The rules for procurement under section 2.3.4 apply.

- Provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the project and the rate of actual use for the purposes of the project may be taken into account. The beneficiary shall explain the rules applied. If the nature and/or the context of its use justify different treatment, this should be duly justified.

All equipment related to the administration of the project (e.g. PCs, portables, etc.) and all equipment purchased before the start of a project is covered by indirect costs of the project (See section 2.4).

> The total reported expenses for equipment may not exceed
> 10% of the total direct costs reported for the project.

2.3.4 Subcontracting costs

Costs entailed by procurement contracts for the purposes of carrying out a part of the project are considered when awarded by a partner to an external body, organisation or individual[6] (only if not employed by any of the Partner organisations of the consortium).

In order to maintain the concept of the project partnership, the management and the general administration of the project may not be subcontracted.

Costs are based on a verifiable estimate or, if the subcontractor is identified, on the basis of an offer. The estimate/offer will cover all costs (i.e. staff costs plus travel costs, etc.).

The Beneficiary shall award the contract to the tender offering best value for money, that is to say, to the tender offering the best price-quality ratio, in compliance with the principles of transparency and equal treatment for potential contractors, care being taken to avoid any conflict of interests.

The following specific Community rules with regard to procurement apply:

- Contracts with a value below EUR 500 can be paid simply on presentation of an invoice.

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[6] This refers to individuals who may be self-employed i.e. who are responsible for their own social security or social contributions, pensions and taxes. National legislation on the definition of these individuals can vary and should always be considered. Covers also consultants, who provide one off services for which a fee is received.

- Contracts with a value between EUR 500 and EUR 5.000 are subject to a restricted procedure involving one tenderer (i.e. it is sufficient to seek one offer only).

- Contracts with a value between EUR 5.000 and EUR 25.000 are subject to a procedure involving at least three tenderers.

- Contracts between EUR 25.000 and EUR 60.000 are subject to a procedure involving at least five tenderers.

  You must be able to prove that you have requested offers from the minimum number of contractors specified above. Requests sent by email, fax or post may constitute these proofs. Where a contractor declines to provide an offer, it is recommended that you request a confirmation of this declination.

- For contracts of a value over EUR 60.000, national rules with regard to procurement apply.

The total reported costs for subcontracting may not exceed
30% of the total direct costs reported for the project.

2.3.5 Other Costs

Costs arising directly:

- From requirements imposed by the grant agreement are eligible (dissemination of information, specific evaluation of the project, audits, translations, reproduction, website, etc.), including the costs of any financial services (especially the cost of financial guarantees).

- From the realisation of specific actions or of products/results of the project are eligible i.e. the organisation of seminars (where the seminar is foreseen as a product/result and where task-related costs are easily identifiable), the production of proceedings of a seminar, the production of a video, the purchase of product-related consumables (reams of paper for printing of publications, blank DVDs), etc.

Only activities which are specific and necessary for achieving the goals of the project are considered.

When travel and/or subsistence costs are reimbursed to third parties (experts, speakers, etc.), the rules applicable to staff of partners will be applied (see section 2.3.2).

For all costs incurred through subcontracting please refer to section 2.3.4 above.

Costs which are not covered by the other categories are also considered as other costs. Some examples are: one-off costs for press releases and publicity, purchase of copyrights and other Intellectual Property Rights, purchase of information materials (books, studies and electronic data), conference fees; meeting registration costs; rental of exhibition space, etc.

All costs related to the administration of the project e.g. consumables, supplies, photocopying costs, telephone costs, internet access, paper, etc., are covered by indirect costs of the project (See section 2.4).

2.4 Indirect costs

The eligible indirect costs for the project are those costs which, with due regard for the conditions of eligibility described above, are not identifiable as specific costs directly linked to performance of the project which can be booked to it direct, but which have nevertheless been incurred in connection with the eligible direct costs for the project. They may not include any eligible direct costs.

The indirect costs of the project eligible for Community funding is a flat rate amount set at a maximum of 7% of the total amount of eligible direct costs. This indirect costs rate was contractually agreed and is given in Annex II of the grant agreement. The corresponding costs need not be justified by accounting documents.

Indirect costs shall not be eligible under a project grant awarded to a beneficiary who already receives an operating grant from the Commission during the period in question.

Examples of indirect costs are:

- All costs for equipment related to the administration of the project (e.g. PCs, portables, etc.);

- Communication costs (postage, fax, telephone, internet access, mailing, etc.);

- Infrastructure costs (rent, electricity, etc.) of the premises where the project is being carried out;

- Office supplies;

- Photocopies.

2.5 Calculation of the Final Community Grant

Please refer to Article II.17 of the agreement for more information on the calculation of the final grant.

In short, the final grant is determined as follows:

Declared expenditures from the final statement

LESS   Ineligible costs found during assessment of your final statement.

Costs may be ineligible by nature or
Limited by application of the "10% rule" (article I.3.4 of the agreement) or
Limited by maximum ceilings from the Call (Equipment, Subcontracting
and Indirect costs) or
Limited by maximum rates from the Call (Staff & Subsistence)

X   percentage of co-financing from the agreement (article I.3.3)

LIMITED to the maximum Community contribution from the agreement (article I.3.3)

Two examples of the grant calculation can be found in Annex 2 below.

Be also aware of the so called "non profit" rule defined in article II.17.4 of the grant agreement. Indeed, to avoid profit, the calculated grant will be reduced accordingly if:

Final Community grant + other sources of financings (own funds not included)
is higher than
Declared expenditures from the final statement

Please note also that the grant may be reduced in case of weak implementation of the project (article I.10.2 of the grant agreement). See also section 1.4.5 of this Handbook.

Finally, the balance payment or recovery will be calculated as follows:

Final Community Grant

LESS   Pre-financing amounts already received
LESS   Interests earned on pre-financing amounts (article II.16.4 of the grant agreement)

EQUAL   **Balance payment if positive or**
            Recovery if negative

2.6   Checks and Audits

Please refer to Article II.19 of the agreement for more information on possible checks and audits.

3   Reporting instructions

3.1   General rules and remarks for the Progress and Final Reports

*(For guidance and instructions on report **content** please refer to section 1.4 of the Handbook.)*

Please note the following points before you produce and submit a report to the Agency.

- You must use the appropriate report templates and financial tables provided by the Agency.

- The report is submitted on behalf of all the organisations participating in the project. The declaration page, which must be included in the Confidential Part and signed in original by the legal representative of the beneficiary, confirms that a process of consultation and approval has been carried out throughout the partnership. Please ensure that the time to carry this out has been factored into the planning for your report production and submission.

- The report should be written in English, French or German.

- All products and results should be submitted along with the report.

- The report and the accompanying products/results should contain the LLP logo and the funding disclaimer text as well as bear the project title, project acronym and grant agreement number.

- The report must be sent to the address specified in article I.7 of your grant agreement, within the deadline indicated in article I.5 and must respect the following requirements for format and quantity:
    - 1 electronic copy (on CD ROM, USB key or other electronic storage device) of the public and confidential parts, the financial report as well as all products electronically available;
    - on paper - 1 original and 2 copies;
    - 3 copies of each product/result and all supporting documents of core activities (minutes of partnership meetings, internal and external evaluation reports, testing results, etc.);

    Please note that:
    - It is only necessary to provide an electronic version of the Financial Reporting table (on CD ROM, USB key or other electronic storage device). A paper copy of the table is not required.
    - If you refer to websites, passwords should be given for all private areas (in section 8 of the Confidential Part of the report).
    - It is important to organise well the various copies of products and outcomes in order to facilitate and speed up the assessment. You are

invited to provide a numbered list of products attached to the report in section 2 of the Confidential Part of the report.

- o The Agency reserves the right to request further copies of reports and products. Please note that reports sent via email or fax cannot be accepted.

- The reports should not be used as a means to signal major changes to your project (such as changes to the budget, workplan, partnership, etc). These are subject to formal amendment requests that should be submitted using the appropriate forms (see section 1.6 of the Handbook). Should the case arise that a change *is* communicated in the Progress or the Final report, please be aware that the Agency's approval of the report does not imply the Agency's approval of the changes.

- You are strongly advised to send your reports by registered post to ensure a record of postage. Additionally, you are advised to keep a copy of the full report, including any annexes.

- As stated in section 1.4.2 of the Handbook, the Progress Report covers the period from the project start until one month before the submission date stated in the grant agreement; the Final Report should cover the whole duration of the project.

3.2   Instructions for the Progress and Final Reports

3.2.1   Public Part

a) Further rules and remarks (Public Part only)

- All sections of the report should be completed.

- An 'Extra Heading/Section' has been included to facilitate the inclusion of additional content. However it is optional and can be deleted if not required. If you delete it, please be sure **not** to delete the section break that immediately follows it as this section break is required to maintain the integrity of the report's back cover (see next point).

- The last page of the template has been deliberately left blank to act as a 'back cover'. This is so that when the report is printed (2-sided printing) the back page appears blank rather than containing report content.

- Whilst there are no embedded minimum or maximum length parameters in the template it is recommended that the overall length of the Public Part be in the region of 15 - 20 pages.

- It is recommended that the Executive Summary be no more than 1 page long.

- The font used for the reports should be Arial with a font size no smaller than 11.

- The report should be of a quality that allows it to be published as it is i.e. without revision or editing.

- If the chosen language for writing the report is French or German, it is recommended that a separate English translation of the Executive Summary is also submitted in order to maximise the dissemination opportunities.

- If permissions are required for the publication of any of your report content e.g. photographs that include images of people, please ensure that the necessary permissions have been obtained.

- For the electronic version, the completed report should be converted to pdf format and it is this pdf version that should be submitted.

- Please note that a late submission of the report may result in penalties or even cancellation of the grant agreement, in accordance with the General Conditions of the grant agreement.

b) Using the report template

> Please note: these instructions assume a reasonable proficiency in Microsoft Word and in the Microsoft Windows environment generally

- Save your file using the following naming convention:

  o For the Progress Report: *2008_nnnn_PR_ acronym of your project*

  o For the Final Report: *2008_nnnn _FR_ acronym of your project*

  o Where *nnnn* is the first 4 numbers of your grant agreement (**after** the year value).

- The document is unprotected.

- The areas/fields where report content is required are generally set up as **text form fields** i.e. space for entering free text. These fields have a grey background and are further indicated by text commands such as "Insert here" and "Enter your text here". However, there are a few areas/fields where content is required but text form fields could not be employed. Specifically these are: the logo 'insertion point' on the front page and the text commands that are located in the headers and footers.

- When you click on the text form field it will become selected allowing you to enter your own content (and overwrite/replace the text command). Please ensure you do not leave the original text commands in the finished report.

- Automatic 6 point spacing (after the end of a paragraph) has been incorporated in the text form fields of the main reporting sections.

- Please keep it simple – don't let the content of your report be overwhelmed by the formatting that you employ.

- Maintain the headings and order found in the template but add new headings at the end if you have content that doesn't fall under any of the pre-specified section headings.

- Don't forget to update the Table of Contents. Whether you use the 'Extra Heading/Section', delete it or add a number of new sections, you will need to update the Table of Contents to reflect this.

- Graphical elements such as photos and logos as well as diagrams, charts and tables etc may be embedded. Please ensure that you use suitably sized images and logos. GIF files should be avoided if at all possible. To achieve the best quality, it is recommended that the resolution of your graphical elements be set at a minimum of 150 dpi.

Embedding logos, photos, diagrams, charts, graphs etc

Take care with the dimensions and placement of the items or objects so that they do not overwhelm the page on which they sit. If you re-size a graphical element, please ensure that you keep its original proportions (e.g. use the shift key when re-sizing).

Cover page

- Insert your project's logo (this is not a text form field so please ensure you overwrite the italicised text command "*Insert your logo here*").

- Enter your project's title.

- Remove the word 'Progress' or 'Final' depending on the type of report you are preparing. Remove also the oblique stroke '/'.

- In the first page footer, enter your project number in **full** (overwriting the text command *'Enter the full project number here'*.). The project number can be found on the front page of your grant agreement. Where there is no project number, please delete the text command so that the footer is blank.

Inside cover page

- Enter your project information including your **full** project number and grant agreement number. The grant agreement number can be found on the front page of your grant agreement. Where there is no project number please enter 'Not Applicable'.

- If this is the first submission of the report, enter the Report version as '1'. If it is a subsequent version of the report e.g. because the Agency has asked you to re-submit it then enter '2' (or number as appropriate depending on the iteration concerned).

- In the header – which provides the header for the rest of the document – enter your project title (overwriting the text command *'Enter Project title here'*).

- In the footer - which provides the footer for the rest of the document – enter your project number in full (overwriting the text command *'Enter the full project number here'*). Where there is no project number, please delete the text command. Please be careful **not to delete** the other fields in the footer which generate the Page Number and the Number of Pages.

Executive Summary Page

Enter your summary details. This should be no more than 1 page.

Sections 1 to 6

Enter your report content.

Section 7 – Extra Heading/Section

Additional content:

- If you have further content that doesn't fall into the pre-specified and provided sections please change 'Extra Heading/Section' to your own heading/section title and then enter the content that you have.

- If you have more than one extra section to add please ensure that any new sections start at the top of a new page and bear the same format characteristics as the pre-provided headings (Heading 1, font size 18 etc). Please ensure that section numbering is continuous and has no gaps.

- When you have finished adding your additional content – or deleted the 'Extra Heading/Section' – update the Table of Contents to reflect the final content of the document.

- Please do not delete the section break at the end of the 'Extra Heading/Section' as it ensures the integrity of the 'back cover'.

Back Cover

So that the back cover of the report appears correctly i.e. facing 'out' when printed double-sided, it may be necessary to add a blank page just before it.

- If the final page of your last section is odd-numbered the back cover will automatically face out when printed.

- If the final page of your last section is even-numbered please insert a blank page immediately between it and the back cover so that the back cover faces out when printed.

Conversion to pdf

- The Agency has a strong preference that reports be submitted in pdf format. If you do not have a local capability for this conversion there are various websites where this can be achieved at no cost.

- Please be aware that such conversions may have limitations i.e. some characteristics of your word document may not be preserved by the conversion.

- When converting your document to pdf please choose the lowest level of protection e.g. so that hyperlinks can be used and content can be copy/pasted.

- If you are unable to convert your report to pdf format or if this compromises the quality of the report due to conversion limitations, the Agency will accept the report in a Microsoft Word-compatible format.

3.2.2 *Confidential Part*

a) Further rules and remarks (Confidential Part only)

- All sections and tables of the report template must be completed.

- Each page of the report and all copies of products and results must bear the grant agreement number.

b) Using the report template

The Confidential Part is not destined for publication and is a straightforward Word document with an Excel workbook in annex. In the case of the Excel workbook – the Financial Reporting table – instructions for its completion are found below (section 3.2). In the case of the Word document, all the data fields to be completed are either straightforward table cells or text form fields i.e. space for entering free text. General guidance on content can be found in section 1.4.2 c) of this Handbook. Where more specific guidance is available e.g. advice on codes and references, it can be found in the report template itself.

There are however a couple of changes that will need to be made to the template itself so that the report submitted is clearly and accurately labelled as either a Progress Report or a Final Report. These amendments are as follows:

Depending on whether you are submitting a Progress Report or a Final Report:

- On the cover sheet, delete the word 'Progress' or 'Final' as applicable. Also delete the oblique stroke '/'.

- In the 'Declaration by the Beneficiary' in section 1 adapt as follows:

  o For a Progress Report delete the paragraph that refers to a Final Report. Delete also the text "[For Progress Report – if applicable]".

  o For a Final Report, enter the sum that you are requesting for payment and delete the paragraph that refers to a Progress Report. Delete also the text "[For Final Report]".

3.3   Instructions for the Financial Reporting tool

To help you complete the financial reporting tool, instructions are provided below for each of the sheets that it contains.

Please note:

- When completing this table you should refer to the administrative and financial guidelines for management and reporting that are described in this Handbook.

- Data in cells with a light grey background do not have to be filled in – these cells are either auto-calculated or copied automatically from other cells.

- Do not copy/paste inside this table as this may cause problems with the automatic rules and make the calculations incorrect.

General rules

Save your file using the following naming convention:

- For the Progress Report – *2008_nnnn_*PR_ *acronym of your project*

- For the Final Report – *2008_nnnn* _FR_ *acronym of your project*

- Where *nnnn* is the first 4 numbers of your grant agreement (**after** the year value).

When entering dates, please use the format 'dd/mm/yyyy'. If you use formats other than this it may lead to errors in the table.

When selecting countries, please refer to the 'Ceilings' sheet for more details. If a country does not appear in the list, please use the code 'IN' (for ineligible countries).

The 'cost date' is not the date of invoicing/payment but the date the expense was actually incurred. When it relates to a period rather than a single date, enter the *end* date of the period concerned.

Sheet 1 - Summary

This sheet contains the general data of your project and, at the Final Report stage, the final financial figures.

Even if you are only at Progress Report stage, enter the general data of your project. For the budget data, you should only enter data in the white cells.

At the Final Report stage, please report here also the amount of interest generated on pre-financing payments. Please check also the amount of pre-financing payments received.

At the Progress Report stage, the content of this sheet is not fully relevant and only data from the 'Progress' sheet will be used for assessment purposes.

The column 'LLP limits applied to calculate the grant' gives you an indication of the maximum amounts that will be taken into consideration for the calculation of the final grant. These amounts are based on specific rules for Equipment, Subcontracting and Indirect costs, and on the rules established for amendments.

Sheet 2 - Progress

Please enter here the period covered by the report (i.e. the start and end dates) and the amount of the first pre-financing.

Sheet 3 - Partners

Enter into the table the name and country of each partner in the consortium.

This sheet gives you an overview of costs declared partner by partner. The costing information is automatically extracted from the sheets that follow (as you populate them) i.e. 'Staff', 'Travel and subsistence' etc.

Sheet 4 - Staff

For each partner, please report the number of days and the total cost per staff category. The average daily cost is calculated automatically.

The country information is automatically extracted from the data that you entered in the 'Partners' sheet.

Sheet 5 - Travel and subsistence

Enter data in all of the columns. Please always use one line per person, per trip.

Sheet 6 - Equipment

When equipment is 'rent/leased', it is not necessary to complete the columns 'depreciation rate' and 'number of months used in the project'. Indeed, the total amount to be declared is based on 'renting/leasing' invoices. On the other hand, when the equipment has been purchased it is necessary to complete these two columns.

Sheet 7 – Subcontracting

Enter data in all of the columns.

Sheet 8 – Other

Enter data in all of the columns.

Sheet 9 - Revenues

Declare here all other sources of revenue. Own funds of the partnership do not have to be declared here.

Sheets 10 and 11 – Ceilings and Actions

These sheets are for information only. No data is to be input.

IMPORTANT!

All costs and all revenues of the project must be declared

Annex 1 Definition of Terms

The Agency: the Education, Audiovisual and Culture Executive Agency, acting under powers delegated by the Commission of the European Communities.

Amendment: a written supplementary agreement that modifies the grant agreement.

Beneficiary (of project): in financial terms, the organisation, institution or individual with whom the contract for receiving a grant from the LLP is signed.

Consortium: a group of partners participating in a project.

Dissemination: a planned process of providing information to key parties on the quality, relevance and effectiveness of the results of programmes and initiatives.

Exploitation: a process of making use of and deriving benefit from a result. It primarily involves the two processes of 'mainstreaming' and 'multiplication'.

Grant Agreement: contractualisation of the grant award, setting out the terms and conditions and the financial rules that apply.

Final Report: implementation report and financial statement covering the entire period of a project. Submitted within two months of the formal end date of the project as indicated in article I.5 of the grant agreement.

Legal Representative: the person legally authorised to enter into legal and financial commitments on behalf of the beneficiary organisation to which he/she belongs.

Monitoring: the continuous and systematic control of a project's progress. Monitoring consists of the supervision of activities, comparison with the workplan and using the information obtained for the improvement of the project.

Partner Agreements: an agreement made between all participants in a project (beneficiary and partners) to govern a number of issues that will or may arise during the life of the project (e.g. collaboration methods, tasks, financial provisions, intellectual property rights, etc.). It is highly recommended that all projects enter a partner agreement.

Progress Report: an interim report and financial statement on the implementation of a project. Submitted in accordance with the deadline indicated in article I.5 of the grant agreement.

Project Coordinator: the organisation or institution in charge of the implementation of the project by the multilateral grouping.

Project: a cooperation activity with a defined outcome developed jointly by a formal or informal grouping of organisations or institutions. For the purposes of this Handbook the term "project" is used for all "Actions" as identified by the Decision No. 1720/2006/EC of the European Parliament and of the Council 15 November 2006 establishing an action programme in the field of lifelong learning.