

The Tempus Programme

Frequently Asked Questions

These questions relate only to Tempus IV Projects selected under the Third Call for Proposals in the 2010 Selection Round

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I. GENERAL

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

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

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

2. What is the mandate, why has it been introduced and how does it affect me?

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

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

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

In practice, the mandate means that:

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

In addition to the roles set out in the mandate, the Agency recommends that each project team establishes an internal Partnership Agreement; clearly detailing the specific roles and responsibilities of the individual beneficiaries, the allocated budget and deliverables. It should also include an agreed approach to conflict resolution within the partnership and should be signed by the co-ordinator and each co-beneficiary.

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

As stated in Article I.5.4. of the Grant Agreement, if the 'Tempus grant', as shown in Annex II of your Grant Agreement, is equal to or greater than EUR 750 000, an external audit report on the action's financial statement and underlying accounts must be sent with the Final Report at the end of the project.

The purpose of the audit report is to certify that the Final Report has been produced correctly and truthfully and is backed by proper supporting documents, in accordance with the provisions to this effect in the Call for Proposals and Grant Agreement (specific and general conditions) and with the additional detail given in the Guidelines for the Use of the Grant and FAQ. Please note that this is a contractual audit relating to the accounts of the action and not a statutory audit of the annual accounts of the co-ordinating organisation.

The auditor selected to perform the external audit may be chosen by the beneficiaries. They should

- be nationally certified in the country of the co-ordinating institution
- Please consult:
http://ec.europa.eu/internal_market/auditing/docs/dir/100201_web_national_public_registers_en.pdf
<http://web.ifac.org/about/member-bodies>;
- For public bodies, as stated in Article II.15.2, they may, as an alternative, use the services of a competent and independent public officer/audit service (please note that this refers to an auditor from another public body and not to an internal auditor from within the co-ordinating institution);

- have the linguistic competence to assess the documents coming from all beneficiaries, or a sufficient budget for translation;
- be able to provide the audit report in the project language (English, French or German).

The audit should be carried out in line with the International Standards on Auditing. However, in addition to providing an independent professional opinion on the correctness of the financial statement, detailing the tasks performed by the auditor and presenting their analysis and opinion, the report should provide reasonable assurance on the following specific items:

- That the co-ordinator has provided them with the project reference documents for the relevant selection year (Call for Proposals, Grant Agreement, Guidelines for the Use of the Grant and FAQ) and that all included costs are eligible in accordance with the rules given in the said documents;
- That the costs declared in the financial statements are real and have been incurred by the beneficiaries in the implementation of the action, within the eligibility period;
- That costs are accurately recorded, justified and registered under the correct budget heading, as detailed in the project reference documents;
- That the reference salary rates have been respected by all beneficiaries;
- That the maximum rates for costs of stay have been correctly applied by all beneficiaries;
- That the budgetary ceilings have been respected;
- That the rules on the exchange rate for the conversion of currencies into Euros have been correctly applied;
- That the rules on implementation contracts, including the existence of three quotations for contracts over €25 000, have been respected and that there is no suspicion of contracts having been split in order to avoid the tendering procedure;
- That any subcontracts concluded with a third party in order to carry out a limited part of the action, where the cost is included in the project accounts, have been authorised by the EACEA and respect the provisions of the project reference documents;
- That all receipts have been declared, are stored at the co-ordinating institution and that the beneficiaries have not made a profit from the grant;
- That any interest generated by the pre-financing payments has been declared in the Final Report.

Where the auditor discovers discrepancies, these should be explained in detail, making specific reference to the financial statement, available supporting documents and amounts in question. Copies of supporting documents on which there are concerns should be forwarded with the report.

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

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

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

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

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

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

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

As a rule, requests for modifications should be **duly justified** in relation to the project objectives. In other words, an explanation is required as to how the requested changes will help ensure the effective achievement of the project objectives. Requests for modifications should be **detailed**; i.e. information should be provided on

the nature and type of activities, the added value, the exact costs involved and the figures for any required transfer of funds between budget headings.

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

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

II. ELIGIBILITY OF COSTS AND ACTIVITIES

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

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

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

7. Which costs are considered ineligible?

According to Article II.14.4 of the Grant Agreement, the following costs are considered ineligible:

- return on capital;
- debt and debt service charges;
- provisions for losses or potential future liabilities;
- interest owed;
- doubtful debts;
- exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it according to the applicable national legislation;
- costs declared by a beneficiary and covered by another action or work programme receiving a European Union grant;
- excessive or reckless expenditure.

Further ineligible costs include (see Section 10.2, Guidelines for the Use of the Grant):

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

Please be aware that fees paid by students/trainees for courses developed as part of the Tempus project are not eligible at any time during the project.

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

- Formal commitments of expenditure (contract, order, etc.) **must** be made **before** the end of the eligibility period (I.2.2 of the Grant Agreement);
- Invoicing of the related expenditure **may** be made **up to** two weeks after the end of the eligibility period;
- Disbursement/payment of the related expenditure **may** be made **up to** four weeks after the end of the eligibility period.

In all cases, the date mentioned on the proof of payments of the related expenditure **must** always be within four weeks of the end of the eligibility period.

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

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

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

- The requested supporting documents are missing in the final report;
- The requested supporting documents are illegible or not duly filled in (e.g. a signature or a stamp is missing, discrepancies between the report and the supporting documents, the dates reported are incorrect, etc.);
- Activities have been implemented or items have been purchased outside the eligibility period;
- Prior authorisation has not been requested/granted e.g. hire of premises for dissemination events.

- The contractual rules have not been respected, e.g.:
 - funds have been disbursed for institutions or individuals who are not involved in the partnership and without prior written authorisation
 - budgetary ceilings have not been respected
 - VAT has been included in the invoice and charged as project expenditure
 - the tendering procedure (minimum 3 quotations) has not been applied for the purchase of goods or services over EUR 25,000.

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

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

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

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

The project activities can **only** be suspended if circumstances make the implementation of the project impossible or extremely difficult and/or in case of *force majeure*. Please refer to Article II.7 – Suspension, and Article II.8 – Force majeure (General Conditions of the Grant Agreement).

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

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

12. Can I claim exchange rate losses?

No. Please refer to Art. II.14.4 of the Grant Agreement.

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

No, furthermore any interest or benefits generated by the pre-financing payments shall be recovered by the Agency (Please refer to Articles I.7.2 and II.16.4 of the Grant Agreement).

14. When must I declare bank interest?

Bank interest must be declared in the Request for Payment for the second pre-financing if it amounts to a significant sum. All interest received during the project must be declared in the final report and shall be recovered by the Agency in accordance with Article II.16.4 of the Grant Agreement.

III. THE BENEFICIARIES

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

Under Article I.3.1, the co-ordinator shall have full responsibility for ensuring that the action is implemented in accordance with the agreement. By virtue of the mandates, the co-ordinator takes full legal responsibility. Please refer to Article I.3.1 which outlines the responsibilities of the co-ordinator and the co-beneficiaries.

Any demand or request for documentation/information from the Agency concerning the implementation of the project shall be sent to the co-ordinator (named at Article I.8.3 of the Grant Agreement), who must respond to it.

16. Can new co-beneficiary institutions join the consortium?

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

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

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

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

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

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

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

Adding a co-beneficiary from a new Partner Country would transform the project from national to multi-country. As such, the eligibility criteria listed in the Call for Proposals (EAC/28/2009) still apply; namely that "at least two higher education institutions, from each of the participating Partner Countries (minimum two Partner Countries) ... (with the exception of Kosovo and Montenegro where the requirement is one higher education institution from each)" are required. The theme of the project must also address the regional and/or national priorities of the new country.

18. What do I need to do when a co-beneficiary institution withdraws?

The following procedure must be followed:

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

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

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

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

The new co-ordinator must explicitly take responsibility for the implementation of all activities and related budget disbursements, **including those implemented by the previous co-ordinator**. For expenditure made before the change of co-ordinator, the accounts should be reconciled and the available budget should be transferred from the old co-ordinator to the new. Please note that the new co-ordinator will be considered solely responsible by the Agency, even for activities and grant expenses incurred before the change.

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

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

Yes, the contact person can be changed.

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

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

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

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

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

22. What funding are Ministries able to receive?

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

IV. THE BUDGET AND CO-FINANCING

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

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

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

Under Article I.4.4, projects may increase the amount of each budget heading of direct eligible cost set out in Annex II of the Grant Agreement by a maximum of 10% by transferring money without prior authorisation, even if the increased amount means that you are exceeding the ceilings laid out in the Guidelines for the use of the grant for Staff or Equipment Costs.

Prior written authorisation from the Agency is required if you plan to increase one or more **budget heading by more than 10%**, even if you are within the ceiling for Staff or Equipment Costs. This is because an increase of more than 10% requires an amendment to Annex II of your Grant Agreement (please see Article II.13).

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

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

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

No. A request for budget modification should be carried out **before** the additional costs are incurred and must be requested no later than one month before the end of the eligibility period (Grant Agreement, Article II.13.3). Retroactive requests (i.e. those discovered in preparing the final report or those where it can be concluded with certainty that the additional activity has been carried out without authorisation) will not be accepted.

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

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

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

27. Can the maximum grant amount mentioned in Article I.4.3 of the Grant Agreement be increased when the consortium adds additional co-beneficiaries or plans additional activities?

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

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

- Where the costs incurred by the consortium are below the amount specified under I.4.2 of the Grant Agreement;
- If the percentage of co-financing is lower than agreed (Please see Article II.17.3);
- Where a profit has been made, since the Tempus grant cannot exceed the amount necessary to balance the project's income and expenditure;
- Following assessment of the final report;
- Following the results of audits;
- If contractual obligations, such as timely submission of reports, are not respected (please see FAQ #48).

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

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

Subcontracted activities should be charged under the same budget headings, with the exception of the items prefaced by internal/external in the table below.

<p>Cost of staff directly necessary to the achievement of the project (includes staff of the beneficiaries, external experts and sub-contractors indicated in the proposal or subsequently approved, students of the beneficiaries where applicable)</p> <ul style="list-style-type: none"> ▪ Administrative or academic tasks ▪ Course development ▪ System support and maintenance of on-line courses/websites ▪ Replacement costs ▪ Internal (services provided by staff/students of the beneficiaries): <ul style="list-style-type: none"> - Language courses - Translation services - IT courses - Evaluation activities 	<p>I STAFF COSTS (INCL. REPLACEMENT COSTS)</p>
<ul style="list-style-type: none"> ▪ Travel ▪ Subsistence allowances ▪ Personal/health/obligatory insurance costs ▪ Visa costs ▪ Cancellation costs 	<p>II TRAVEL COSTS, COST OF STAY</p>
<ul style="list-style-type: none"> ▪ Equipment directly relevant to the project (hardware and software) ▪ Installing/setting up communication lines for internet connection ▪ Access to databases (libraries/electronic libraries) ▪ Consumables to ensure smooth running of equipment (e.g. toner) ▪ Equipment insurance, transport and installation costs ▪ Maintenance of equipment ▪ Hire of equipment (prior authorisation required) 	<p>III EQUIPMENT</p>
<ul style="list-style-type: none"> ▪ Printing and publishing (paper and electronic) ▪ Web-design and maintenance of websites ▪ Photocopying of teaching materials/documentation 	<p>IV PRINTING AND PUBLISHING</p>
<ul style="list-style-type: none"> ▪ Costs related to dissemination (advertising in the media, promotional materials such as pens, bags, posters) ▪ Hire of premises for dissemination events (prior authorisation required) ▪ Inter-project coaching ▪ Bank charges ▪ Bank guarantee charges (where requested) ▪ External audit fees ▪ External (services provided by companies/subcontracted): <ul style="list-style-type: none"> - Language courses - Translation services - IT courses - Evaluation activities 	<p>V OTHER COSTS</p>
<ul style="list-style-type: none"> ▪ Stationary/office supplies ▪ General photocopying ▪ Postage and telecommunication costs ▪ Use of internet/communication software (e.g. Skype) 	<p>VI INDIRECT COSTS</p>

For ineligible costs, please refer to the Grant Agreement, Article II.14.4, and the Guidelines for the Use of the Grant, Section 10.

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

'Consumables and supplies' are identifiable costs assigned to the project and they must be charged to the correct budget line. They can be under 'Equipment' (e.g. consumables needed to ensure the smooth functioning of the equipment, such as toner, mouse, particular software, etc.) or under 'Printing and Publishing' (such as photocopying of teaching material or of other documents necessary to achieve the objectives of the project). Costs of consumables and supplies are considered as direct costs and therefore have to be justified by supporting documentation (invoices).

In contrast, stationery should be charged to 'indirect costs' and does not require supporting documentation.

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

The maximum EU contribution is laid down in Article I.4.3. and may not exceed 90% of the estimated eligible direct costs (Article I.4.2.). The remaining costs, equivalent to at least 10% of the total estimated eligible direct costs, identified in the provisional budget of the project under Annex II as 'Co-financing' must be financed from sources *other* than the Tempus grant. Proof of expenditure must be retained with the project finances in all cases and be provided with the Final Report where requested.

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

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

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

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

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

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

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

No. The beneficiaries can choose to co-finance any budget heading other than Indirect Costs, so long as the total co-financing amounts to the required percentage (at least 10% - please see Article I.4.3. of your Grant Agreement) of the total eligible direct costs of the project.

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

The charges related to a financial guarantee (when requested by the Agency as stated in the special clauses of the Grant Agreement, Article I.5), constitute an eligible cost for Tempus funding and can therefore also be eligible as 'co-financing'.

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

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

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

If the expenditure on the project is lower than foreseen, the actual figure for the co-financing may be reduced. The percentage of co-financing proposed in your project application must, however, be retained since the percentage contribution of the Agency cannot be increased (see Articles I.4.3 and II.17.2).

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

No. The percentage of the EU contribution may not exceed the percentage of the total eligible direct costs laid down in Article I.4.3.

V. PAYMENTS AND BANK TRANSFERS

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

Article I.5 of the Grant Agreement defines the general timing for the payments of the different instalments of the grant.

The first pre-financing instalment, representing 60% of the maximum grant amount shown in Article I.4.3., will be paid within 45 days of the last of the following dates:

- the date when the last of the parties (The Agency) signs the agreement
- where requested in Article I.5.1, upon receipt of a financial guarantee of an amount equivalent to the amount of pre-financing granted.

The second pre-financing instalment, representing 30% of the maximum grant amount (I.4.3. of the Grant Agreement), may not be paid until at least 70% of the first pre-financing instalment has been spent.

The balance, representing up to 10% of the maximum grant amount, will be paid within 45 days after the approval of the final report, which must be sent with the Request for Payment.

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

Further pre-financing instalments can be claimed by the co-ordinator, using a Request for Payment form (in Annex IV of the Grant Agreement, available on the Tempus website). It must be accompanied by a detailed statement of the eligible costs actually incurred following the same format as the provisional budget and, if required under Article I.5.1 of the Grant Agreement, a financial guarantee. Payment of the second pre-financing is conditional upon receipt of the intermediate report (the intermediate report must be sent with the Request for Payment when 70% of the first pre-financing has been disbursed or not later than half way through the eligibility period). This further pre-financing shall be paid within 45 days after receipt of the above-mentioned documents by the Agency.

The payment of the balance can be claimed by the beneficiary using the Request for Payment of the Balance form (in Annex IV of the Grant Agreement, available on the Tempus website), which must be accompanied by the final report, composed of: a final report on the implementation of the project, a summary report for publication, a financial statement and Request for Payment, including the financial tables for each budget heading and, for projects with a Tempus grant of EUR 750 000 or more, an external audit report on the action's financial statements and underlying accounts (for more information, see FAQ #3).

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

Before approving the final report, the Agency may also request that the beneficiary provides additional supporting documents. In that case, the beneficiary shall have 30 days to submit the additional information. A final report that is well prepared by the beneficiary usually results in a smooth assessment and subsequent payment by the Agency. In this context, 'well prepared' means a complete report with all sections duly completed, which provides qualitative and quantitative indicators, as well as all necessary supporting documents and any additional information required. For ease of reference and assessment, supporting documents should be numbered in conformity with the financial statement.

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

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

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

As stated in Article I.3.3 of the Grant Agreement: 'the co-ordinator and the co-beneficiaries shall agree upon appropriate arrangements between themselves for the proper performance of the action, including the establishment and maintenance of an estimated budget of costs per beneficiary'. This could include pre-financing in instalments.

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

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

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

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

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

Yes. However, any change of project bank account should be notified in writing to the Agency using the Financial Identification form (http://ec.europa.eu/budget/info_contract/ftiers_en.htm?submenuheader=0), signed by the legal representative, authorised to act on behalf of the beneficiary and by the bank.

45. How will the amount of the final grant be calculated at the end of the project (Article II.17) and what should I expect to happen following the determination of the final grant?

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

1. The grant may cover no more than 90% of total actual eligible costs of the project following the financial assessment (exact percentage given in Article I.4.3.). The remaining costs, equivalent to at least 10% of the total eligible costs must be co-financed (Articles II.17.3 and I.4.3). Ceiling A
2. The grant may not exceed the amount necessary to balance the project's income and expenditure (total declared expenditure minus the amount co-financed by the beneficiaries) and the beneficiaries may not, in any circumstance, make a profit from it (Article II.17.4). Ceiling B
3. The grant may not exceed the maximum amount of the Tempus grant authorised in the Grant Agreement (I.4.3 of the Grant Agreement) (Article II.17.2). Ceiling C

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

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

1. Payment of the balance (compensation): this amount represents the amount of the final grant as determined in the financial evaluation, minus 90% of the maximum grant amount already paid, minus the interest yielded by the pre-financing.
2. Payment of the balance (in a situation where the total amount eligible is actually higher than the maximum grant): the total amount paid to the co-ordinator may not exceed the maximum amount of the grant (I.4.3). The amount paid represents the remaining 10% of the total grant minus the interest yielded on pre-financing.
3. Reimbursement by the co-ordinator to the Agency. This amount represents 90% of the total grant already paid minus the final grant plus the interests yielded by pre-financing.
4. Reimbursement less than EUR 200: this amount represents 90% of the total grant already paid, minus the final grant, plus the interest yielded by pre-financing. However, given that the foreseeable cost of recovery would exceed the amount to be recovered, the Agency will not request any reimbursement.
5. No recovery/no compensation: 90% of the total grant already paid is equal to the total of the eligible expenses. Therefore, the amount representing 10% of the total grant will not be paid. However, according to article II.16.4, the amount corresponding to the interest yielded by pre-financing has to be reimbursed (only if higher than EUR 200).

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

The payment of the balance, representing up to 10% of the maximum grant amount (I.4.3 of the Grant Agreement), will only be paid after the approval of the final report and approval of the Request for Payment of the balance, accompanied by the documents specified in Article II.15.4 and Annex IV of the Grant Agreement.

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

In this respect, the following suggestions can be made:

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

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

However, please note that following the assessment of the final report, the Agency will not cover more than the percentage given in Article I.4.3. of the eligible costs submitted.

VI. REPORTING

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

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

Intermediate Report:

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

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

Final Report:

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

- Final report on the implementation of the project (overview of the results and achievements and table of achieved outcomes);
- Summary report for publication;
- Financial statement and Request for Payment, including the financial tables for each budget heading;
- External audit report on the action's financial statements and underlying accounts (required for grants of EUR 750,000 or more).

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

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

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

- ✓ 15/10/2011 for 2-year projects
- ✓ 15/04/2012 for 3-year projects

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

- ✓ 15/12/2012 for 2-year projects
- ✓ 15/12/2013 for 3-year projects

Please note that the **timely submission of the reports** (intermediate and final reports) is a contractual obligation. Any delay in reporting may have an impact on the monitoring of the project. In addition, please note that according to article II.12 of your Financial Agreement, any grave breach of the obligations under the agreement by the beneficiary shall be liable to financial penalties of between 2% and 10% of the value of the grant. Please also be informed that the Agency has the right to claim back the entire amount of the grant.

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

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

Education, Audiovisual and Culture Executive Agency (EACEA)
Mr Klaus Haupt
Head of Unit P10
BOUR 02/17
Avenue du Bourget, 1
B-1140 Brussels - Belgium

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

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

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

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

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

VII. PURCHASING GOODS & SUB-CONTRACTING

50. What are the rules around tendering?

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

Where the value of the invoice/contract exceeds EUR 25,000, beneficiaries must obtain quotations from at least three suppliers and retain the one offering best value for money (Article I.11.2). The co-ordinator must retain documentation on the tendering procedure and note the names of the suppliers consulted in the financial statement at the end of the project. In so doing, the beneficiaries should be able to prove that market research has been carried out and that the bid meeting the technical requirements and offering best value for money has been chosen.

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

51. What are the rules around subcontracting?

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

Sub-contracting must respect the procedure described in Article II.9 of the Grant Agreement. Furthermore, for contracts over EUR 25,000, the beneficiaries must obtain quotations from at least three suppliers (Article I.11.2), see also FAQ #50.

Subcontracting must be done on the basis of a contract and should describe the specific task being carried out and its duration. It must include a date, project number and the signature of both parties. An invoice must be issued with the subcontract.

Mobility undertaken by a sub-contractor should be charged under 'Travel Costs, Costs of Stay'. The task itself should be charged under 'Staff Costs' (with the exception of external language or IT courses, translation services or evaluation activities, which should be charged under 'Other costs' - See FAQ #28).

VIII. STAFF COSTS

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

The total amount spent on staff costs whether co-financed or funded by the project cannot exceed 40% of the eligible direct costs. However, for each project the specific budget for staff costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of transfer from another budget heading, this amount by a maximum of 10% without prior authorisation, even if the increased amount takes you above the 40% ceiling (see Point 11.1, Guidelines for the Use of the Grant).

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

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

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

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

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

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

The cost of staff and experts comprises of salaries plus social security payments and other statutory costs included in the remuneration. These costs may not exceed the average rates corresponding to the institution's usual policy on remuneration. Reference daily rates are indicated in Annex 3, Guidelines for the Use of the Grant. The rate for the country in which the beneficiary is registered will be applied, irrespective of where the tasks are carried out. Higher rates of pay may be applied when these rates are the norm in the country concerned, provided that they can be duly justified by supporting documentation (for example, a wage slip proving that a higher wage is being paid to the person concerned for a previous or similar post).

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

We consider that a month equates to 20 working days and that a day represents 7.5 hours of work.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IX. TRAVEL COSTS AND COSTS OF STAY

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

Staff mobility between two EU Member States represented in the project is possible in specific cases such as management, coordination, planning, monitoring and quality control activities. Such mobility is also authorised, if duly justified, for academic activities that contribute directly to achieving the goals of the project or for inter-project coaching. Please see the Guidelines for the Use of the Grant, Point 4.4.1.

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

63. Where can I organise the consortium coordination meetings?

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

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

While the costs of stay for a student going on mobility within their own country are not detailed individually, the co-ordinator should pay reasonable costs and may in no circumstance exceed the ceiling given in Section 4.5.3 of the Guidelines for the Use of the Grant. This is a maximum. The amount paid should be relative to the destination (distance from home/cost of living) and in accordance with the sending institution's policy. A student attending a different institution but who is still able to travel from home on a daily basis should not be counted as 'on mobility' and therefore should not be entitled to 'costs of stay' under the Tempus grant.

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

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

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

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

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

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

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

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

As a general rule, mobility should take place between the beneficiaries. This means that activities should be hosted by the beneficiaries listed in Annex V of the Grant Agreement and that travel should be to those specific cities/locations. In some cases (listed in the Guidelines for the Use of the Grant, Points 4.4.1 and 4.5.1) mobility within the participating countries is acceptable.

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

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

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

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

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

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

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

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

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

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

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

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

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

Please note that renting a coach is only possible for travel between different beneficiaries. Group travel, during visits in and around a mobility destination should be covered by accommodation costs (per diems) and

therefore no supporting documentation is required. The cost of renting a coach or minibus should be divided by the number of travellers.

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

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

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

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

73. Can student 'institutional costs' (see Guidelines for the Use of the Grant) be considered as co-financing?

Institutional costs, count as eligible costs and can be considered as co-financing. The host institution should prove this by producing a declaration, stating that the university has covered the eligible costs incurred as a result of receiving the students from abroad, indicating the name of the student, home institution and the period of the mobility. This declaration should be kept with the project accounts.

NB. Only students, whose travel and accommodation costs are paid from the Tempus grant, can be considered for 'institutional costs'.

The hosting university can claim the following maximum amounts:

- for a mobility to the European Union, per student:
 - EUR 200 for a one-month study period;
 - EUR 350 for a two-month study period;
 - EUR 500 for a three-month study period.
- for a mobility to a Partner Country, per student:
 - EUR 70 for a one-month study period;
 - EUR 140 for a two-month study period;
 - EUR 200 for a three-month study period.

Contributions to institutional costs higher than the above-mentioned amounts will not be considered eligible. Institutional costs cannot be used to cover course fees. 'Institutional costs' refer exclusively to the hosting of students; costs incurred through hosting staff from abroad are not eligible (under the grant or co-financing).

74. Can I charge student 'institutional costs' under the budget heading 'Travel Costs and Costs of Stay'?

Yes. This is the correct budget heading for 'institutional costs'.

75. Can we charge fees for the newly developed courses?

No. During the project lifetime, fees should not be charged for courses developed within the project. Since funding has been received to cover the project activities and period, it goes against the spirit of the programme to charge fees. Profit should not be made from a Tempus project.

X. EQUIPMENT

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

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

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

77. What type of equipment is considered eligible?

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

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

For a list of ineligible items, please see, Article II.14.4 of the Grant Agreement and Section 10.2 of the Guidelines for the Use of the Grant.

78. I want to purchase equipment for the project. Must the equipment be made in the EU or in the Partner Country? Must the equipment be purchased in the EU?

No. Equipment purchased with the Tempus grant does not necessarily need to be made in the EU or Partner Countries. Equipment can be purchased from any country, though buying it in the Partner Country often has the advantage of avoiding lengthy customs procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

XI. OTHER COSTS

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

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

87. What is 'inter-project coaching'?

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

Contrary to 'dissemination activities', all costs related to inter-project coaching should be budgeted under 'Other Costs' up to a maximum of EUR 2500 per project. The guidelines to follow are the respective sections governing the 'Staff costs' and 'Travel, Costs of Stay and Subsistence Costs ' budget headings, laid out in the Guidelines for the use of the grant. Supporting documentation in this case will be the same as for all travel costs, costs of stay and staff costs (namely travel tickets, Individual Mobility Reports, Conventions and possible invoices). Resulting monitoring and quality reports must be included in the interim/final report, whichever is next due.

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

XII. TAXES

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

If a Common Framework Agreement ("Financing Agreement") has been signed between the European Commission and the **Partner Country**, taxes (including VAT), duties and charges (such as customs and import duties) **cannot be charged** on equipment or services funded by Tempus.

At the beginning of the project, the co-ordinator will receive a document, stating that the acquisition, delivery and installation of equipment and services in the Partner Country is exempt from taxes, duties and charges if a Common framework Agreement has been signed between the European Commission and the Partner Country. This document should be sufficient to obtain a tax exemption. However, practice shows that a tax exemption can be difficult to obtain in certain Partner Countries, even if the European Commission has signed agreements with the governments of those Partner Countries. Where such difficulties are encountered, it is suggested that beneficiaries ask for the help and advice of the NTO in the Partner Country concerned. The EU Delegations in the Partner Countries (where those exist) may also be contacted when problems arise.

In order to claim VAT from the Tempus grant, the beneficiaries must provide a declaration from the relevant National authority, stating that it is impossible to recover the VAT.

The certificate cannot be used to purchase equipment or services exempt from taxes (including VAT) within the European Union. However, equipment purchased within the EU with a view to being immediately exported to

Partner Countries in the framework of the Tempus programme may be exempted from taxes (including VAT), duties and charges in accordance with the normal rules.

89. Are VAT payments eligible for co-financing?

No. VAT payments cannot be financed under Tempus (paragraph II.14.4 of the Grant Agreement) and can therefore not be co-financed.

XIII. EXCHANGE RATES

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

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

Practically this means that:

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

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

XIV. PUBLICISING YOUR PROJECT

91. Am I obliged to publicise my Tempus project?

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

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

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

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

The use of the Tempus logo is compulsory. No changes in colour or content are authorised. The logo should not be distorted, or rotated. The official Tempus logo (please select Tempus IV 2007-2013) can be downloaded from the following web-page: http://eacea.ec.europa.eu/about/eacea_logos_en.php

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

92. What is EVE? What do I have to do?

The European Commission has opened a free, public, multilingual electronic platform for the dissemination and exploitation of project results. This platform is called EVE ("Espace Virtuel d'Echange"/virtual platform for information sharing) and its objective is to improve access to the results of Commission programmes and initiatives in the area of, inter alia, education and training, and at the same time increase their visibility.

Tempus project coordinators will be expected to upload basic information about their project and its results on EVE, such as project outputs, pictures, links or presentations.

Project co-ordinators of Tempus IV projects will be notified by e-mail when they are required to upload project information on the EVE database.

More information about EVE can be found at: <http://www.ec.europa.eu/eve>.