



Co-funded by the
Erasmus+ Programme
of the European Union



Funding scheme: Erasmus+ Capacity building in higher education

Fostering Internationalization at Montenegrin HEIs through Efficient Strategic Planning (IESP project)

Project Handbook

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.

PROJECT INFO	
Project title	Fostering Internationalization at Montenegrin HEIs through Efficient Strategic Planning
Project acronym	IESP
Project coordinator	University of Montenegro
Project reference number	609675-EPP-1-2019-1-ME-EPPKA2-CBHE-SP
Project duration	15/11/2019 – 14/11/2021
Max. grant amount awarded	683.014,00 EUR
Project website	www.iesp.ucg.ac.me
Project e-mail address	iesp@ucg.ac.me

FUNDING SCHEME	
Programme	Erasmus+
Key action	Cooperation for innovation and the exchange of good practices
Action	Capacity building in the field of higher education
Action type	Structural projects
Call for project proposals	EAC-A03-2018

PROJECT CONSORTIUM				
Partner number	Name of partner institution	Country	Legal representative	Position
P1	Agency for Control and Quality Assurance of HE	Montenegro	Tijana Stankovic	Deputy director for quality assurance and research
P2	University Cote d'Azur	France	Jeanick Brisswalter	President
P3	Ministry of Science	Montenegro	Sanja Damjanovic	Minister
P4	Ministry of Education	Montenegro	Mubera Kurpejovic	General director of Directorate for HE
P5	University of Cadiz	Spain	Eduardo Gonzales Maza	Rector
P6	University of Ljubljana	Slovenia	Igor Papic	Rector
P7	University Donja Gorica	Montenegro	Veselin Vukotic	Rector
P8	University Mediterranean	Montenegro	Savo Markovic	Rector
P9	University of Montenegro	Montenegro	Danilo Nikolic	Rector

CONTENT

List of abbreviations and acronyms	4
List of tables and figures	4
1. Introduction	5
2. Management structure and responsibilities	5
3. Communication with EACEA	9
4. Publicity obligations	9
5. Financial management	10
5.1 Financial relations/roles among project Partners	10
5.2 Project budget and financing principles	10
5.3 Eligible costs	10
5.4 Ineligible costs	11
5.5 Unit costs	11
5.5.1 Staff costs	12
5.5.1.1 Supporting documents for staff costs	12
5.5.2 Travel costs and costs of stay	13
5.5.2.1 Travel costs	13
5.5.2.2 Costs of stay	15
5.5.2.3 Supporting documents for travel costs and costs of stay	16
5.5.3 Rules for designation of reference numbers for Joint Declarations and Individual Travel Reports	16
5.6 Actual costs	16
5.6.1 Procurement methods for goods and services	17
5.6.2 Equipment	17
5.6.2.1 Supporting documents for equipment	17
5.6.3 Subcontracting	18
5.6.3.1 Supporting documents for subcontracting	19
5.6.4 Exceptional costs	19
5.7 Overview of supporting documents for all budget categories	19
5.8 Reallocation of funds between budget categories	20
6. Amendments to the Grant Agreement	21
6.1 Amendments via the EACEA Participant Portal	22
6.2 Amendments via e-mail	22
6.3 Amendments via an exchange of formal letters	23
7. Instalments from EACEA to the Coordinator	23
8. Instalments from the Coordinator to the Partners	24
9. Project reporting	24
9.1 Reporting obligations of the Coordinator after the first year of the project	25
9.2 Reporting obligations of the Coordinator after the end of the project	26
9.3 Reporting obligations of the Partners	26
10. Checks, audits and evaluations performed by EACEA	27
11. Possible financial penalties – reduction of the initially awarded grant amount	28
11.1 Penalties in the case of non-compliance with an obligation defined under the Grant Agreement	28
11.2 Penalties in the case of poor, partial or late implementation of the action	28
12. Calculation of the final eligible grant amount	28
13. List of documents/templates given on IESP website, in the “Team zone” section	29

LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation/ Acronym	Full name
AC	Actual costs
CBHE	Capacity building in the field of higher education
EACEA	Education, Audiovisual and Culture Executive Agency of the European Commission
EU	European Union
FS	Financial statement
IEPS	Fostering internationalization at Montenegrin HEIs through efficient strategic planning
ITR	Individual travel report
JD	Joint declaration
QAB	Quality assurance board
PMB	Project management board
PO	Project officer in the EACEA (assigned to the IESP project)
TS	Time-sheet
UC	Unit costs
VAT	Value added tax
WP	Work package

LIST OF TABLES AND FIGURES

Tables		Page
Table 1	Project Management Board members	7
Table 2	Quality Assurance Board members	7
Table 3	Work Package leaders	7
Table 4	Work packages and related activities	8
Table 5	Estimated budget of the project	10
Table 6	Unit costs for staff	12
Table 7	Eligible travel activities	13
Table 8	Unit costs for travel, per person	14
Table 9	Distances (in km) between the cities of project Partners	15
Table 10	Unit costs for stay, per person	15
Table 11	Overview of supporting documents per budget category	20
Table 12	Example of request for increase of staff costs for more than 10%	21
Table 13	Dates of the Partners' periodic reports	27
Figures		Page
Figure 1	Management structure of the IESP project	6
Figure 2	Calculation of the final grant amount	29

1. Introduction

The main purpose of this Handbook is to provide support to the IESP project participants in managing the project in an efficient manner, by providing them with all necessary information and instructions about the use of the grant funds, about the participants' roles, responsibilities and obligations, about procedures to follow, forms to use and how to fill them in, how to keep records, what documents to submit and when, etc.

This Handbook is based on "Guidelines for the use of the CBHE grant" (issued by EACEA), IESP Grant Agreement (including its annexes, among which the IESP project proposal) and IESP Partnership Agreements. Some definitions and rules are taken in original form from the CBHE guidelines and the IESP agreements, in order to avoid misinterpretation.

2. Management structure and responsibilities

The IESP project consortium consists of nine participant institutions. The University of Montenegro, as the "Coordinator" of IESP project, signed the Grant Agreement with EACEA, and on behalf of the consortium is responsible towards the EACEA for the overall management, coordination and proper implementation of the project.

Some of the Coordinator's specific responsibilities:

- Regular/daily administrative and financial management of the project.
- Communicate with EACEA on behalf of the Partners.
- Inform the Partners of any relevant communication exchanged with the EACEA.
- Inform the Partners of any changes connected to the project or to the Grant Agreement, or of any event likely to substantially affect the implementation of the action.
- Inform EACEA of any change of any of the Partners or of any event likely to affect or delay the implementation of the action.
- Submit reports to EACEA, and subsequently send copies to the Partners, as well as copies of any feedback letters received from EACEA following report assessment and field monitoring visits.
- Provide all necessary documents and information in the events of audits and evaluations, as well as in all other situations when required by the EACEA.
- Provide a signed copy of each Partnership Agreement to the EACEA within 6 months of the signature of the Grant Agreement.

Some of the Partners' specific responsibilities:

- Inform the Coordinator of any change in their legal, financial, technical, organisational or ownership situation and of any change in their names, addresses or legal representatives.
- Inform the Coordinator of any event likely to substantially affect or delay the implementation of the action, as well as of any important deviation of the project, including the replacement of their contact persons or other engaged persons (the Partners have to ask the Coordinator for a prior approval for modification of project activities and budget items).
- Prepare and submit reports to the Coordinator, as defined by the Partnership Agreement.
- Submit in due time to the Coordinator all necessary documents and information in the events of audits and evaluations, as well as any other information or documents it may require and which are necessary for the management of the project.

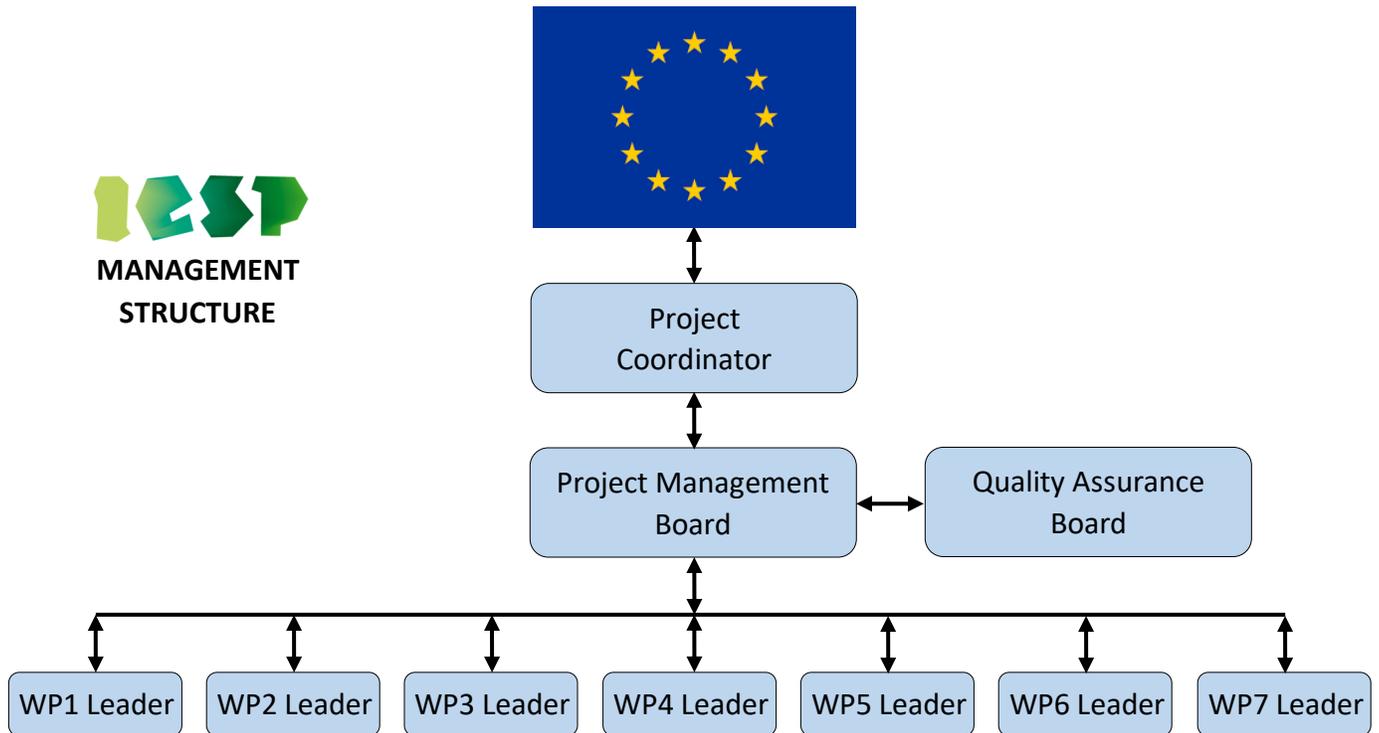


Figure 1: Management structure of the IESP project

The project management structure was established and officially adopted at the kick-off meeting. It involves Project Coordinator, Project Management Board, Quality Assurance Board, and Work Package Leaders, as shown in Figure 1.

PMB is the main decision-making body, consisting of one representative from each partner institution, with 2/3 decision-making principle, and will be chaired by the Coordinator. PMB has responsibility for planning, directing, strategic management, monitoring and control of the project implementation. Also, PMB will be in charge of the monitoring of implementation of Partnership Agreements signed between the Coordinator and each Partner. If WP leaders are not members of the PMB, they can be invited to attend its meetings, which will be held in order to:

- discuss and review the progress of project activities
- approve deliverables
- make decisions
- agree on any risk contingency measures

In addition to face-to-face meetings, video/Skype conferences may be organised, if needed, for decision making purposes. Also, all WP meetings will be used for the purpose of coordination meetings. After each meeting, minutes will be prepared and approved via e-mail by the PMB.

QAB consists of one representative from each partner institution. It's a direct support to the PMB in:

- monitoring and assessing the quality of the project and its results
- development of Quality Assurance Plan

For each WP there is a lead institution, which is responsible for the overall progress of the respective WP. On behalf of the institution, **WP leader** manages the WP team and tasks, ensuring the performance of activities and achievement of objectives within deadlines and budget limits. WP leader submits to the Coordinator the required information and reports related to realization of WP. The list of WPs and related activities is presented in Table 4.

PROJECT MANAGEMENT BOARD		
Partner number	Partner institution	PMB member
P1	Agency for Control and Quality Assurance of HE	Tijana Stankovic
P2	University Cote d’Azur	Srdjan Redzepagic
P3	Ministry of Science	Sasa Ivanovic
P4	Ministry of Education	Mubera Kurpejovic
P5	University of Cadiz	Juan Carlos Garcia Galindo
P6	University of Ljubljana	Katja Cerar
P7	University Donja Gorica	Milica Vukotic
P8	University Mediterranean	Radislav Jovovic
P9	University of Montenegro	Natasa Kostic

Table 1: Project Management Board members

QUALITY ASSURANCE BOARD		
Partner number	Partner institution	QAB member
P1	Agency for Control and Quality Assurance of HE	Milica Kavedzic
P2	University Cote d’Azur	Clement Moreau
P3	Ministry of Science	Lidija Vukcevic
P4	Ministry of Education	Marko Vukasinovic
P5	University of Cadiz	Rafael Velez Nunez
P6	University of Ljubljana	Tomaz Dezelan
P7	University Donja Gorica	Sandra Tinaj
P8	University Mediterranean	Slobodanka Krivokapic
P9	University of Montenegro	Vladan Perazic

Table 2: Quality Assurance Board members

WP number	WORK PACKAGE LEADERS		
	Lead partner institution	Partner number	Name of WP leader
WP1	University Cote d’Azur	P2	Srdjan Redzepagic
WP2	University of Ljubljana	P6	Katja Cerar
WP3	University of Montenegro	P9	Danilo Nikolic
WP4	University Donja Gorica	P7	Bojana Malisic
WP5	University of Cadiz	P5	Juan Carlos Garcia Galindo
WP6	University Mediterranean	P8	Milica Kovacevic
WP7	University of Montenegro	P9	Danilo Nikolic & Natasa Kostic

Table 3: Work Package leaders

IESP project activities			
WP type	Activity number	Title	Estimated end date
preparation	WP1	Identification of internationalization models and development of Guidelines for Effective and Efficient Internationalization at Montenegrin HEIs	
	1.1	Review of EU HEIs models of internationalization	15/02/2020
	1.2	Benchmarking of internationalization criteria	15/04/2020
	1.3	Development of guidelines for enhancing internationalization of Montenegrin HEIs	15/06/2020
development	WP2	Capacity Building for Internationalization through staff training and equipment upgrade	
	2.1	Procurement of equipment for supporting internationalization	15/07/2020
	2.2	Development/Redesign of English web sites of Montenegrin HEIs	15/03/2021
	2.3	Know-how transfer to teaching staff related to the internationalization	15/01/2021
	2.4	Know-how transfer to administrative staff related to internationalization	15/01/2021
development	WP3	Development of Tools for Enhanced Internationalization	
	3.1	Development of internationalization strategies and action plans	15/10/2020
	3.2	Development of supporting documentation to internationalization	15/10/2020
	3.3	Design of catalogues for courses offered in English	15/12/2020
	3.4	Development of pilot summer school in English with curricula	15/12/2020
	3.5	Development of teaching materials in English	15/05/2021
	3.6	Developing criteria for assessing quality of internationalization of Montenegrin HEIs	14/11/2021
development	WP4	Integration of Internationalization at Montenegrin HEIs	
	4.1	Adoption and implementation of strategic documents	15/12/2020
	4.2	Establishment of language support centre for internationalization	15/11/2020
	4.3	Adoption and implementation of English courses offered at BSc and MSc levels	15/11/2021
	4.4	Adoption and implementation of pilot summer schools	15/11/2021
quality plan	WP5	Quality Control and Monitoring	
	5.1	Establishment of Quality Assurance (QA) body	15/02/2020
	5.2	Development and implementation of Internal Quality Control and Monitoring Plan	15/10/2021
	5.3	External Quality Control and Evaluation	15/11/2021
	5.4	Impact Analysis	15/10/2021
dissemination & exploitation	WP6	Dissemination and Exploitation of Project Results	
	6.1	Development and implementation of dissemination and exploitation plans	14/11/2021
	6.2	Website of the project and social media accounts	14/11/2021
	6.3	Dissemination products and materials	14/11/2021
	6.4	Dissemination and exploitation events	15/10/2021
	6.5	Development of exploitation roadmap	15/10/2021
	6.6	Exploring possibilities for continuation of the cooperation with the EU partners	15/10/2021
management	WP7	Project Management	
	7.1	Establishment of Project management structures	15/02/2020
	7.2	Project meetings	14/11/2021
	7.3	Day-to-day management of the project activities	14/11/2021
	7.4	Periodic and final reports to EACEA	14/11/2021
	7.5	External financial control	14/11/2021

Table 4: Work packages and related activities

3. Communication with EACEA

Any communication with EACEA will be done **only by the Coordinator**. Only in exceptional and/or duly justified circumstances, the EACEA will enter into correspondence with other project Partners.

Any written communication by ordinary post to the EACEA must be addressed to the Head of Unit, according to the article I.7.2 of the Grant Agreement.

In order to implement the supervision and to provide necessary assistance, the EACEA assigned a Project Officer to the IESP project. Any electronic communication to the EACEA must be sent to the e-mail address of the PO and to the functional mailbox EACEA-EPLUS-CBHE-PROJECTS@ec.europa.eu (the purpose of this mailbox is to ensure a centralised monitoring of the correspondence, as well as a follow-up of the message in the absence of the PO).

In case the Coordinator needs some explanations, it can address also the National Erasmus+ Office prior to addressing the EACEA.

4. Publicity obligations

All Partners, including the Coordinator, are responsible for promoting the fact that financing for IESP project is provided from the European Union funds in the framework of the Erasmus+ programme. Any communication, publication or output resulting from the project, made by the Partners jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc), must indicate that the project has received European Union funding and display the European Union emblem. This means that all material produced for project activities, training material, projects websites, videos and social media accounts created to promote the project, special events, posters, leaflets, press releases, CD ROMs, etc, **must contain the following logo** (one of these two versions):



The logos in JPEG format can be found at:

- https://eacea.ec.europa.eu/sites/eacea-site/files/logosbeneficiareserasmusleft_en.jpg – version 1;
- https://eacea.ec.europa.eu/sites/eacea-site/files/logosbeneficiareserasmusright_en.jpg – version 2;

When displayed in association with another logo, the European Union emblem must have appropriate prominence.

Where the action, or part of the action, is a publication, the logo must appear on the cover or the first page. If the action includes events for the public, signs and posters related to this action must be displayed. This must include the logo mentioned above. Authorisation to use the logo implies no right of exclusive use and is limited to this project.

Any publication or video, made by the Partners jointly or individually, **must contain the following disclaimer**:

"This project has been funded with support from the European Commission. This publication [communication/presentation] 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."

5. Financial management

5.1 Financial relations/roles among project Partners

The Coordinator prepares the requests for payment to be sent to the EACEA, is the sole recipient of grant tranches from EACEA, manages the funds ensuring the respect of the EACEA’s rules, transfers respective grant instalments to each Partner and verifies the appropriate spending of funds by the Partners.

Each Partner opens a sub-account dedicated solely for the purpose of IESP project and is responsible for sound and efficient financial management of its allocated part of the grant amount.

5.2 Project budget and financing principles

Type of costs	Budget category	€	Ceilings per category
UC	staff	270.344,00	maximum 40% of the total grant
UC	travel	18.130,00	
UC	costs of stay	87.360,00	
AC	equipment	190.000,00	maximum 30% of the total grant
AC	subcontracting	67.500,00	maximum 10% of the total grant
AC	exceptional costs (for expensive travels)	49.680,00	
Total awarded grant		683.014,00	

Table 5: Estimated budget of the project

The maximum grant contribution to the project costs amounts to 683.014,00 €. Calculation for reimbursement of project expenses is based on two financial approaches, i.e. through division of budget categories in two types of costs: **unit costs** (UC) and **actual costs** (AC). As shown in Table 5, UC approach is implemented for staff costs, travel costs and costs of stay, while AC approach is implemented for equipment costs, subcontracting costs and exceptional costs for expensive travels.

CBHE scheme implements a co-funding principle – project Partners have their own financial contribution through UC approach, since the EACEA rules predefine the maximum level of unit costs for calculation of the grant contribution. Therefore, the grant contribution for AC budget categories will be in the amount of 100% of eligible costs actually incurred, while for UC budget categories the grant contribution for incurred eligible expenses will cover the amount of predefined unit costs (the amount obtained by multiplying the predefined unit amount by number of units used).

5.3 Eligible cost

Project Partners are obliged to use the grant funds exclusively for the purposes defined by the project and in line with the terms and provisions of the Partnership Agreements and the Grant Agreement. If there would be a difference between the amount of grant spent and the amount of expenditure declared eligible by the EACEA at the end of the project, the Partner responsible for the expenditure declared ineligible will reimburse the corresponding amount.

The eligibility of costs is defined in Articles II.19.1, II.19.2 and II.19.3 of the Grant Agreement. In summary, the costs considered eligible are those that meet the following criteria:

- Incurred during the implementation period of the project (with the exception of costs for the preparation of final report).
- In connection with the project action and necessary for project implementation.
- Identifiable, verifiable, recorded in the accounting records of the Partners and determined according to the applicable accounting standards of the countries where the Partners are established.
- Comply with applicable taxes and national legislation.
- Reasonable, complying with principle of sound financial management (in particular regarding economy and efficiency).
- Foreseen in the project application/budget.

Note that all the activities and costs foreseen/listed in the project application and budget should not be considered automatically eligible, i.e. automatically approved by the EACEA. **Perform check of eligibility** before starting any project activity.

5.4 Ineligible cost

As specified in Article II.19.4 of the Grant Agreement, the following costs are not considered eligible:

- Equipment such as: furniture, motor vehicles, phones, alarm systems, equipment for research and development purposes.
- Cost of premises: rent (except for short events), purchase, maintenance, repair, heating, etc.
- Activities not in the Partners' countries, unless prior written authorisation given by EACEA.
- Cost of opening and operating bank accounts (including bank charges for transfer of funds from EACEA).
- VAT, when considered recoverable under the national legislation.
- Cost in the framework of another action receiving an EU grant.
- Excessive or reckless expenditure.
- Exchange losses.
- Interest owed.
- Debt and debt service charges.
- Depreciation costs.

Any expenditure including VAT, duties and charges (such as customs and import duties) are not eligible unless the Coordinator can provide an official document from the competent authorities proving that the corresponding costs cannot be recovered. If it is not possible to obtain such an official document from the competent authorities, a written proof should be provided from the same authorities that they do not issue such document. In any case, considering that the IESP project foresees the purchase of equipment only for the Partners in Montenegro, if there is the tax exemption agreement signed between the EU and Montenegro, taxes and duties for equipment or services destined for the Partners in Montenegro have to be treated in accordance with that agreement.

5.5 Unit costs

According to EACEA rules, for the purpose of financial reporting, grant beneficiaries:

- **Do not need** to provide justifications to prove the level of expenses, i.e. the level of units.
- **Have to** prove that the activities have been (properly) implemented and the output produced.
- **Do not need** to send supporting documents when sending the financial statements to EACEA (unless specifically requested by EACEA).

Supporting documents that have to be kept in the project records (and be available for financial evaluation and/or audit) **have to** demonstrate that the volume of the activities justifies the number of unit costs charged to the grant. In the case of unit costs the list of supporting documents cannot be exhaustive as it depends on the actual outputs of the project and the quality of the documentation provided.

5.5.1 Staff costs

This budget category contributes to the cost of staff for performing the tasks directly necessary to the achievement of the project objectives. Staff member must have a formal contractual relationship with the Partner institution.

The unit costs to be applied for staff costs are defined in the following table:

Country of the staff member	EUR per day			
	managerial work	teaching/training/researching work	technical work	administrative work
France	280	214	162	131
Spain / Slovenia	164	137	102	78
Montenegro	108	80	57	45

Table 6: Unit costs for staff

Each unit cost corresponds to an amount in EUR per working day per staff member. One working day is defined according to national legislation (7 to 8 hours). In principle, declared working days per staff member should not exceed 20 days per month or 240 days per year.

The unit cost to be applied is the one corresponding to the country in which the staff member is employed, independently of where the tasks will be performed.

Which staff category should be applied depends on the nature of work performed, not on the status/title of the individual. Explanation for staff categories:

- Managerial work – top managerial activities related to the administration and coordination of project activities.
- Teaching, training, researching work – academic activities related to curriculum/training programme development, development and adaptation of teaching/training materials, preparation and teaching of courses or trainings.
- Technical work – technical tasks such as book-keeping, accountancy and translation activities (external translation services and external language courses should be classified under the budget category of “subcontracting costs”).
- Administrative work – administrative tasks such as secretarial duties.

The costs of staff during travels may be charged to the project if the work performed can be demonstrated in terms of workload, output produced and activities realised and if it is in line with the practices of the Partner institution.

5.5.1.1 Supporting documents for staff costs

For the purpose of any financial evaluation and/or audit, the following supporting documents have to be kept in the project records:

- A formal contractual relationship between the staff member and the Partner institution.
- A duly filled-in **Joint Declaration (JD)** for each staff member. JD must be signed by the staff member performing the activity and then countersigned and stamped by the person responsible in the Partner institution that engaged this staff member. For staff performing the activities that belong to different categories of work a separate JD must be signed for each type of category. The form of JD is given on IESP website, in the “Team zone” section dedicated for internal use within the consortium (see chapter 13 in this handbook).
- Duly filled-in **Time-Sheets (TS)**. Each JD must have a corresponding time-sheet attached. TS must be signed by the staff member concerned and countersigned by the person responsible in the Partner institution that engaged this staff member. For each different category of work a separate TS is filled in. The form of TS is given on IESP website, in the “Team zone” section (see chapter 13).
- Any material evidence allowing to verify the purpose, workload, quality and outputs of work performed, and that the declared workloads correspond to actual activities/outputs (for example: agendas, minutes, attendance/participant lists, personal internal reports, tangible outputs/products, salary slips, etc).

Staff category declared in JD has to be in line with the attached TS (as well as the information about the number of days of work, description of work and outputs produced). The amount that a staff member will be paid from the budget category “staff costs”, and subsequently presented in the financial report table, must be in line with JD and TS (data in the financial report that are related to staff costs will refer to relevant JD and TS). Work package title selected in TS must correspond to the WP title from the work plan presented in the project application. The number of days declared in TS must be in line with the budget plan of IESP project.

Funds from the budget category “staff costs” can be paid to staff members for the work already performed (i.e. not as advance payment), provided that JD and attached TS have been filled in and subsequently approved/signed by the person responsible in the Partner institution.

5.5.2 Travel costs and costs of stay

5.5.2.1 Travel costs

This budget category contributes to the costs of travel for staff participating in activities directly related to the achievement of the project objectives. Staff member must have a formal contractual relationship with the Partner institution in order to participate to any travel.

Travels are intended for the activities presented in the following table:

Travel activities	Staff from PC travel to PC	Staff from PC travel to PgC	Staff from PgC travel to PC	Staff from PgC travel to PgC
Teaching/training assignments	√	√	√	√
Training and retraining purposes	√	√	not eligible	not eligible
Updating programmes and courses	√	√	√	√
Practice in companies, industries and institutions	√	√	not eligible	not eligible
Project management related meetings	√	√	√	√
Workshops and visits for result dissemination purposes	√	√	√	√

PC → Erasmus+ Partner Country

PgC → Erasmus+ Programme Country

Table 7: Eligible travel activities

Prior written authorisation from EACEA is required if the staff concerned intends to carry out activities not described in Table 7.

According to CBHE guidelines issued by EACEA, the main target groups of dissemination activities should be in the Erasmus+ Partner Countries (Montenegro, in the case of IESP project), and therefore these activities should take place in Montenegro. However, it is not excluded that some dissemination is carried out in the Erasmus+ Programme Countries (France, Spain and Slovenia, in the case of IESP project), in which case a prior written authorisation from EACEA is required.

The maximum duration of travel can be 3 months.

The travel costs and costs of stay related to subcontracted service providers have to be declared under the budget category “subcontracting costs” and be justified and documented accordingly.

Travel costs include visa fee and related obligatory insurance, travel insurance and cancellation costs if justified.

No financial contribution will be granted for travels of less than 10 km.

The unit costs to be applied for travels are defined in the following table:

one-way travel distance	EUR per person (for round trip)
10 - 99 km	20
100 - 499 km	180
500 - 1.999 km	275
2.000 - 2.999 km	360
3.000 - 3.999 km	530
4.000 - 7.999 km	820
more than 8.000 km	1.500

Table 8: Unit costs for travel, per person

The unit costs shown in Table 8 are fixed amounts of the grant contribution per travel per person (regardless of the expenses actually incurred), related to the travels of staff from their place of origin (home institution within the partnership) to the venue of the activity and return. Prior written authorisation from EACEA is required for activities and their corresponding travel costs and costs of stay which are not taking place in or between countries represented in the project partnership.

Students registered in Partners institutions may benefit from a financial support for travel and subsistence provided their participation supports the achievement of the project objectives. Different rules and tariffs are applied for students (defined in CBHE guidelines) than these presented for staff members in this handbook.

In order to apply the correct unit cost, a one-way travel distances between concrete locations must be identified using the **distance calculator** supported by the European Commission (http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm). According to this calculator, one-way travel distances between the cities of Partners involved in the IESP project are presented in Table 9 (in kilometres):

city	Podgorica	Ljubljana	Cadiz	Nice
Podgorica		551,58	2.279,50	983,35
Ljubljana	551,58		2.025,56	627,01
Cadiz	2.279,50	2.025,56		1.399,15
Nice	983,35	627,01	1.399,15	

Table 9: Distances (in km) between the cities of project Partners

In the context of a circular travel (e.g.: a person leaves a place of departure “A” in order to participate in a project activity in another location “B”, and then leaves “B” to participate immediately in a second project activity in a third location “C”, before returning directly to the place of departure “A”), the grant contribution to the travel costs will be calculated as the sum of these two unit costs:

- The unit cost amount corresponding to the distance from A to B
- The unit cost amount corresponding to the distance from B to C.

The notion of circular travel implies a project activity in each destination and does not apply to air travels with stopover.

5.5.2.2 Costs of stay

Costs of stay can be claimed for staff involved in the project for activities taking place outside the city of the Partner’s home institution and directly related to the achievement of the project objectives. The activities must be carried out in the Partners' countries. Any exception to this rule must be authorised by EACEA.

Costs of stay include subsistence, accommodation, local and public transport such as bus and taxi, personal or optional health insurance.

The unit costs to be applied for stay are defined in the following table:

duration of stay	EUR per person
up to 14 days	120 EUR/day
+ from the 15 th until 60 th day	70 EUR/day
+ from the 61 st day up to 3 months	50 EUR/day

Table 10: Unit costs for stay, per person

In order to apply the correct unit cost, the duration of the activity must be identified, in days, including the travel from the place of origin to the venue of the activity and vice-versa (independently of the time of departure or arrival), and then the corresponding unit cost has to be applied as defined in Table 10, in the following manner:

Number of days of activities (including travel) = Number of unit costs;

The unit costs shown in Table 10 are fixed amounts of the grant contribution per day per person (regardless of the expenses actually incurred).

No costs of stay will be granted for travels of less than 10 km.

5.5.2.3 Supporting documents for travel costs and costs of stay

For the purpose of any financial evaluation and/or audit, the Partners will have to be able to justify/prove that the journeys actually took place and are connected to specific and clearly identifiable project-related activities. The following supporting documents have to be kept in the project records:

- A duly filled-in **Individual Travel Report (ITR)**, to be filled in by a staff member after each travel. The form of ITR is given on IESP website, in the “Team zone” section (see chapter 13).
- Supporting documentation will have to be attached to each ITR in order to demonstrate that the travel and the activity actually took place (e.g. travel orders issued by the Partner institution, travel tickets, boarding passes with points of departure and destination, dates and name of the person travelling, all invoices, including for accommodation, receipts, proof of attendance in meetings and/or events, agendas, tangible outputs/products, minutes of meetings; this list is not exhaustive, so for example also photos from the meetings/events/activities may be attached). It will not be necessary to prove the actual cost of the travel.

In case of circular/multiple travels, separate ITRs have to be filled in. For example, a person departs from place “A” in order to participate in a project activity in place “B”, and then leaves “B” to participate immediately in another project activity in place “C”, before returning directly from “C” to “A” – it means that one ITR has to be filled in for travel between “A” and “B” (with the related distance in km from “A” to “B”), while the other ITR will refer to travel between “B” and “C” (with the related distance in km from “B” to ‘C’).

Type of activity to be marked in ITR should be in line with the project work plan.

According to Annex III of the Partnership Agreements between the Coordinator and the Partners, prior to initiating any travel to be financed from the grant funds (either to fully cover the incurred expenses or partially) the Partner is supposed to send to the Coordinator a travel application form (by e-mail, to the following address: iesp@ucg.ac.me). It contains the main technical information related to the trip (a template is given on IESP website, in the “Team zone” section – see chapter 13 in this handbook).

5.5.3 Rules for designation of reference numbers for Joint Declarations and Individual Travel Reports

Reference number (“Ref. No.”) to be written in JD and ITR forms should be composed in the following format:

XXX-YYY-ZZZ

- XXX – Instead of this write the code/number of the Partner institution (one of the codes from P1 to P9).
- YYY – Instead of this write the acronym of the document in question (JD or ITR).
- ZZZ – Instead of this write a three-digit ordinal number of the document, using progressive numbering (001, 002, 003, 004...) in order that each JD/ITR from the Partner institution has a different reference number.

Thus, the first JD signed for example in the Ministry of Science of Montenegro (“Partner number” is P3) will have the reference number P3-JD-001, the next one will be P3-JD-002, etc (while ITRs will be numbered as P3-ITR-001, then P3-ITR-002, etc).

5.6 Actual costs

Financial reporting for AC budget categories will be based on the principle of the expenses actually incurred (the grant contribution for these budget categories will be equal to the eligible expenses actually incurred). These expenses will need to be duly documented and their level to be justified.

5.6.1 Procurement methods for goods and services

According to EACEA rules, depending on the value of purchase, the following procurement methods are applied:

- less than 25.000 € – best value for money;
- from 25.000 € to 134.000 € – tendering procedure (obtaining at least 3 competitive offers and retaining the one offering the best value for money);
- more than 134.000 € – procurement in accordance with national legislation;

The grant beneficiaries may not split the purchase into smaller contracts with lower individual amounts below the threshold in order to avoid launching a formal tendering procedure.

In IESP project, all the equipment will be purchased in one tender procedure, under the national procurement rules (since the value of purchase will be above 134.000 €). Each service to be subcontracted and provided to the Partners is of the value less than 25.000 €.

5.6.2 Equipment

Apart from fulfilling the criteria of eligibility of costs (meaning that it has to be directly relevant to the project objectives, foreseen in the project application, etc, as mentioned in chapter 5.3 of this handbook), equipment may be purchased through this budget category if the following conditions are fulfilled:

- It is purchased only for the benefit of the higher education institution in the Erasmus+ Partner Country.
- The purchaser is the sole owner of the equipment.
- The equipment must be recorded in the inventory of the institution.
- All purchased equipment **must bear an Erasmus+ sticker/logo** (to be printed or bought by the grant beneficiary).

The purchased equipment has to be used during the project implementation period and should be instrumental to the objectives of the project and should therefore be purchased and installed at the beginning of the project, as soon as practically possible.

This budget category covers also the costs of transport, installation, maintenance and insurance of equipment.

Compared to the equipment as specified in the project application, minor adaptations in terms of quantity and product in the purchased equipment can be accepted without prior authorisation from EACEA, provided that the budgetary ceilings are respected, the corresponding equipment items are eligible, the modification can be justified and is related with the project objectives. In case of significant changes of the equipment to be purchased compared to the equipment as specified in the project application, prior written authorisation from EACEA is necessary.

5.6.2.1 Supporting documents for equipment

For the purpose of any financial evaluation and/or audit, the following supporting documents have to be kept in the project records:

- Invoices and bank statements for all purchased equipment (note that order forms, pro-forma invoices, quotations or estimates are not considered as proof of expenditure).

- For the purchase in the amount from 25.000 € to 134.000 €, documentation on the tendering procedure and three quotations from different suppliers.
- For the purchase in the amount above 134.000 €, documentation on the tendering procedure applied according to national legislation.
- Proof that the equipment is recorded in the inventory of the institution.

When sending the final financial statement to EACEA, the Coordinator on behalf of the consortium has to send also, as supporting documents, the copies (not originals) of the invoice and the competitive offers for the purchase of equipment when a total value of the purchase is more than 25.000 €.

Other supporting documents should not be sent with financial statements to EACEA. At final reporting stage, EACEA will examine the expenses in detail to verify their eligibility. If there are doubts on any particular point, EACEA may request the grant beneficiaries to provide all the supporting documents.

5.6.3 Subcontracting

This budget category is intended for specific, time-bound, project-related tasks which cannot be performed by the Partners themselves. Therefore, it refers to the implementation of tasks by a third party, to which a service contract has been awarded by one or several participant institutions.

It includes self-employed / free-lance experts. Subcontracting to external bodies should be very occasional. The specific competences and particular expertise needed to reach the project objectives should be found in the project consortium having determined its composition. Subcontracting for project-management related tasks is therefore not eligible.

Subcontracting costs for the maintenance of any equipment purchased for the project may be included under the budget category “equipment”.

Typical activities which may be subcontracted (provided they are not carried out by the Partners’ staff) are:

- Compulsory financial audits and any external QA procedure.
- IT courses, language courses.
- Printing, publishing and dissemination activities.
- Translation services.
- Web design and maintenance.
- Logistic support for the organisation of events (except for catering and hospitality costs for participants receiving the costs of stay, in order to prevent double funding by the grant).

In all cases, tasks to be subcontracted must have been identified in the project proposal (based on relevant supporting information, along with clear reasons as to why the task cannot be carried out by the project Partners) and the estimated amount entered in the budget. Subcontracting initially not foreseen in the budget would need prior written authorisation from EACEA.

Subcontracting must be done on the basis of a contract, which should describe the specific task being carried out and its duration. It must include a date, the project reference number and the signature of both parties. Project Partners and their staff members are not allowed to operate in a subcontracting capacity for the project.

The travel costs and costs of stay related to subcontracted service providers have to be declared under the budget category “subcontracting costs” and be justified and documented.

5.6.3.1 Supporting documents for subcontracting

For the purpose of any financial evaluation and/or audit, the following supporting documents have to be kept in the project records:

- Invoices, subcontracts and bank statements.
- In the case of travel activities of subcontracted service provider, copies of travel tickets, boarding passes, invoices and receipts, or for car travel a copy of the internal regulations on the reimbursement rate per km. The aim of the supporting documentation is to demonstrate that the activities took place.
- When the threshold of 25.000 € is exceeded and is below 134.000 €, documentation on the tendering procedure and three quotations from different suppliers.
- When the threshold of EUR 134.000 is exceeded, documentation on the tendering procedure applied according to national legislation.
- Tangible outputs/products.

When sending the final financial statement to EACEA, the Coordinator on behalf of the consortium has to send also, as supporting documents, the copies (not originals) of the subcontract, the invoice and the competitive offers when the total value of the subcontract amounts to more than 25.000 €.

Other supporting documents should not be sent with financial statements to EACEA. At final reporting stage, EACEA will examine the expenses in detail to verify their eligibility. If there are doubts on any particular point, EACEA may request the grant beneficiaries to provide all the supporting documents.

5.6.4 Exceptional costs

Exceptional costs are related to expensive travels. Financial support under the budget category "exceptional costs" can be claimed provided that it can be justified that the standard funding rules (based on unit costs per the corresponding travel distance band) do not cover at least 65% of the real travel costs of the staff member.

This financial support is limited to a maximum of 80% of the total real costs and replaces the standard travel funding scheme.

Supporting documents for exceptional costs have to prove the actual cost of the travel.

5.7 Overview of supporting documents for all budget categories

Supporting documents (originals) – as specified in the previous part of this handbook under the chapters dedicated to each of the budget categories – must be kept by the Partners. Readable copies of those documents must be sent to and kept by the Coordinator (who will submit them to EACEA with the final report and financial statement when specifically requested). More information on submission of documents from the Partners to the Coordinator is given in chapter 9.3 in this handbook.

If there are doubts on the actual implementation of any particular activity or expenditure, EACEA may request to be provided with the corresponding supporting documents. Failure to submit one or more documents may lead to a request for reimbursement of the corresponding grant contribution.

For all type of costs, any prior authorisation from EACEA has to be sent with the final financial statement.

A list of supporting documents for each budget category is summarised in the following table:

Reimbursement basis	Budget categories	Documents to keep in project records	Documents to be sent with the final report
UNIT COSTS	Staff	<ul style="list-style-type: none"> • formal employment contract • Joint Declaration (JD) • Time-Sheet (TS) • bank statements/ proof of payment • salary slips* • agendas* • attendance/participant lists* • tangible outputs/products* • minutes of meetings* 	<ul style="list-style-type: none"> • no supporting documents should be sent with the final report, except for any prior authorisation from EACEA
	Travel costs and costs of stay	<ul style="list-style-type: none"> • Individual Travel Report (ITR) • bank statements/ proof of payment • invoices, receipts, boarding passes* • agendas* • attendance/participant lists* • tangible outputs/products* • minutes of meetings* 	<ul style="list-style-type: none"> • no supporting documents should be sent with the final report, except for any prior authorisation from EACEA
ACTUAL COSTS	Equipment	<ul style="list-style-type: none"> • invoices • bank statements • tendering procedure for expenses exceeding 25.000 € • proof that the equipment is recorded in the inventory of the institution 	<ul style="list-style-type: none"> • invoices and three quotations from different suppliers for expenses exceeding 25.000 € • any prior authorization from EACEA
	Subcontracting	<ul style="list-style-type: none"> • subcontracts • invoices • bank statements • tendering procedure for expenses exceeding 25.000 € • tangible outputs/products* 	<ul style="list-style-type: none"> • subcontracts, invoices and three quotations from different suppliers for expenses exceeding 25.000 € • any prior authorization from EACEA
<p><i>* Examples of supporting documents. In the case of unit costs this list cannot be exhaustive as it depends on the actual outputs of the project and the quality of the documentation provided. As a general rule, keep all possible results to be able to show-case the activities.</i></p>			
<p>A Certificate on the financial statements and underlying accounts (“Report of Factual Findings on the Final Financial Report – Type II”) must be sent to EACEA with the final report.</p>			

Table 11: Overview of supporting documents per budget category

5.8 Reallocation of funds between budget categories

As shown in Table 5 of this handbook, there are ceilings for three budget categories, in percentages of the estimated total budget of the project indicated in Annex III of the Grant Agreement: total staff costs can be maximum 40% of the total project budget, equipment costs can be maximum 30% and subcontracting costs can be maximum 10%.

Still, when carrying out the action, there is also a certain flexibility of the ceilings of all individual budget categories indicated in the estimated budget of the project in Annex III of the Grant Agreement. The Coordinator may make adjustments (which do not affect the implementation of the action) by transferring the funds between budget

categories without prior authorisation by EACEA if the increase of the ceiling amount for specific category is up to 10%. However, the total estimated budget of the project (the maximum grant as specified in Article I.3.1 of the Grant Agreement) must not be exceeded.

This 10% increase flexibility can still be applied even if the authorized amount for the budget category concerned had already been set at its maximum ceiling (40% for staff costs, 30% for equipment costs and 10% for subcontracting costs), i.e. even if the increased amount exceeds the prescribed maximum ceilings. In practice, this means that in the final report, the maximum amount declared under a budget category can be 110% of the authorised amount as indicated in Annex III of the Grant Agreement for the budget category in question, without prior authorisation required.

The corresponding increases as well as any significant decrease of expenditure under a given budget category should however be justifiable with regards to the objectives and overall funding of the project.

For increasing the budget category by more than 10%, a prior authorisation by EACEA is needed, and consequently an amendment to the Grant Agreement would have to be made.

In order to request such amendment the Coordinator must justify the need for the change and send an updated budget breakdown following the template of Annex III of the Grant Agreement, together with a revised budget allocation per Partner and an explanation of the envisaged changes. These requests must be submitted to EACEA at least one month before the end of the project implementation period. If EACEA accepts the change, an amendment letter including a new Annex III will be sent to the Coordinator.

If, as a consequence of the increase for more than 10%, the maximum ceiling set for staff (40%), equipment (30%) and subcontracting (10%) is exceeded, the request for a change in the budget breakdown will not be accepted.

The following table gives an example of possible decisions following a request for increase for more than 10%, applied to the budget category “staff cost”:

staff costs	% of total grant as estimated in Annex III of the Grant Agreement	proposed increase	% of total grant including the possible increase	decision
maximum ceiling : 40%	30%	+20%	36%	amendment possible
	35%	+20%	42%	not allowed

Table 12: Example of request for increase of staff costs for more than 10%

Under no circumstance an amendment to the budget can lead to an increase of the maximum total grant amount specified in Article I.3.1 of the Grant Agreement.

6. Amendments to the Grant Agreement

The Grant Agreement may be amended only in writing. Any request for amendment must be sent to EACEA before any changes are implemented in the project, and not retroactively. It must be sent in due time before it is due to take effect, and in any case at least one month before the end of the project implementation period.

A request for amendment on behalf of the project consortium must be submitted by the Coordinator. If a change of Coordinator is requested without its agreement, the request must be submitted by all other Partners and must be accompanied by the opinion of the Coordinator or proof that this opinion has been requested in writing.

Amendment may be made also at the initiative of EACEA.

As soon as changes are envisaged by the consortium (to the project and/or the partnership composition), the Coordinator should contact the EACEA Project Officer in charge and ask for an advice on the proposed changes.

Depending on the nature of the modification, amendments have to be made following specific procedures (explained in details in chapters 2.3.1, 2.3.2 and 2.3.3 in “Guidelines for the use of the CBHE grant” issued by EACEA) in one of the following ways:

- Via the EACEA Participant Portal
- Via e-mail
- By scanned formal letter sent via e-mail

Some minor changes which do not lead to an amendment of the Grant Agreement still require a request to EACEA (by letter or e-mail sent by the legal representative and/or the contact person). For example, while the change of the legal representative of the coordinating institution, or of the contact person, requires an amendment, changes in their contact details (phone number, e-mail address, etc) just need to be notified in writing to EACEA in order to update its records. The same applies in case there is a modification to the contact person's details of the Partner.

Any related requests or notifications from the Coordinator must be sent to the following e-mail address:
EACEA-EPLUS-CBHE-PROJECTS@ec.europa.eu.

Once the amendment is made, it becomes an integral part of the initial Grant Agreement. When changes affect the legal commitment and the working modalities defined and endorsed by the partnership in its Partnership Agreement(s), the latter must be amended accordingly and this amendment must be officially endorsed by all the Partners concerned.

6.1 Amendments via the EACEA Participant Portal

The Participant Portal is the platform where the authorised LEAR (Legal Entity Appointed Representative) registers the grant beneficiary institution as well as any changes related to its legal status, address and name.

The Coordinator must inform the EACEA by e-mail of the changes introduced via the Participation Portal so as to ensure a better follow-up of the project.

The following modifications must be made via the Participant Portal:

- legal status of the Coordinator and/or other Partners
- legal name of the Coordinator and/or other Partners
- address of the Coordinator
- address of the Partner

6.2 Amendments via e-mail

For the following modifications, an amendment request must be sent by e-mail from the legal representative of the Coordinator, or at least with the latter in carbon copy (Cc):

- contact person of the Coordinator
- deadline for submission of reports

6.3 Amendments via an exchange of formal letters

The modification by means of exchange of letters implies that it will not be reached by countersigning the very same document between the two parties, but by exchanging two separate documents/ scanned letters via e-mail.

The letter (amendment request) must be signed by the legal representative of the Coordinator and must clearly explain the nature of the proposed amendment and the necessary modifications to the Grant Agreement. It must be submitted in this way for the following modifications:

- change of the coordinating institution
- change of the eligibility period of the project
- change in the budget breakdown
- change in the partnership composition
- change of the legal representative of the coordinating institution
- change of the bank account of the coordinating institution
- major changes to the work programme

7. Instalments from EACEA to the Coordinator

Grant instalments to the Coordinator are divided/arranged in two pre-financing portions (50% and 40% of the grant awarded) and one possible balance payment after the end of the project implementation period and upon the approval of the final report (up to 10% of the grant awarded).

A first pre-financing payment of 50% of the maximum grant amount specified in Article I.3.1 of the Grant Agreement was transferred to the Coordinator at the beginning of the project, upon entry into force of the Agreement.

A second pre-financing payment of 40% of the maximum grant amount specified in Article I.3.1 shall be transferred to the Coordinator, subject to the following conditions:

- having spent at least 70% of the previous pre-financing instalment
- a payment request and a statement on the use of the previous instalment are sent to EACEA
- a progress/technical report on the implementation of the project is sent to EACEA

Templates for a payment request and a statement on the use of the previous pre-financing instalment are included as separate spreadsheets in a comprehensive financial statement template in excel format (which can be found on IESP website, in the “Team zone” section – see chapter 13 in this handbook). Instructions for filling in these financial documents are given in chapter 9 in this handbook.

The Coordinator must submit a request for second pre-financing payment within 3 months following the end of the first year of the project. EACEA must make a second pre-financing payment within 60 calendar days after receiving the request.

If the statement on the use of the first pre-financing instalment shows that less than 70% has been spent, the amount of the second instalment shall be reduced by the unused amount of the previous instalment.

No financial supporting documents need to be submitted with statement on the use of the first pre-financing instalment (unless requested by the Agency).

The Coordinator must submit a request for balance payment (together with other documents concerning final reporting) within 2 months following the end of the project implementation period. EACEA must pay the balance within 60 calendar days after receiving the request. Balance payment may be claimed by the Coordinator if the total amount of earlier pre-financing payments is lower than the final eligible grant amount that EACEA will determine after examining final documentation submitted by the Coordinator after the end of the project implementation period.

If the total amount of earlier pre-financing payments is greater than the final eligible grant amount determined by EACEA, the payment of the balance takes the form of a recovery, i.e. the Coordinator will reimburse the corresponding amount to EACEA.

8. Instalments from the Coordinator to the Partners

The conditions and schedule for tranches to the Partners are defined in the respective Partnership Agreements (payment request form to be sent to the Coordinator is provided in Annex IX of these agreements).

The Partner will have to return to the Coordinator the grant funds not used and to reimburse any expenditure declared ineligible by EACEA.

9. Project reporting

The Coordinator sends progress reports and final reports to EACEA on behalf of the consortium. Approval of the Coordinator's progress report leads to the launch of the second pre-financing payment and approval of the final report leads to the final/balance payment (if due). The progress report provides the EACEA with an update on how the project is advancing against original plan and budget, while the final report at the end of the project implementation period allows the overall evaluation of the project. In addition to the mandatory reports, EACEA may request additional reports on activities and/or expenditure, in which case the Coordinator will be given a period of two to six weeks to submit it.

Once the assessment is complete, EACEA will inform the Coordinator on the evaluation results, with an acceptance letter.

In addition, the Coordinator shall provide the EACEA and/or the European Commission with information requested in order to promote the Erasmus+ Programme and disseminate its results. This may include answering questionnaires and entering data into databases. Also, it is recommended that the EACEA's Project Officer is communicated in advance about any particular activity or result that may be used by EACEA for dissemination purposes (e.g. outreaching event, project publication, etc).

EACEA can suspend, reject and/or ask for a revised version of the report. In cases where the report is rejected or suspended, the Coordinator will be informed about the reasons of the rejection.

The Partners send their own technical and financial reports to the Coordinator (some details given in chapter 9.3).

A template of financial statements in excel format can be found on IESP website, in the "Team zone" section – see chapter 13 in this handbook (the same template that the Coordinator already sent by e-mail to the Partners). In that template each participant institution will record all of its expenses as they incur during the project, and at the same time it represents the form of financial report that the Partners are supposed to submit periodically to the Coordinator, according to the schedule defined in Article 6 of the Partnership Agreements (the same template will

be used by the Coordinator for the project financial statements/reports to be sent to EACEA, which the Coordinator will compile by aggregating the financial statements/data received from the Partners).

“Instructions” sheet in the financial statement template should be read thoroughly. Fill in only the sheets with the following tab names (data in other sheets will be filled in automatically):

- 1. Staff Costs
- 2-3-6. Travel Costs&CoS&EC
- Equipment Costs
- 5. Subcontracting Costs
- Co-financing

In these sheets, fill in (only) the cells coloured in blue (data in other cells will be filled in automatically). The sheet “Final financial statement” already contains the names of the project Partners and related “Partners Numbers” (from P1 to P9).

For ease of reference and assessment, supporting documents should be numbered in conformity with the financial statement. Staff costs filled in financial report must be in line with JD and TS. Travel costs and costs of stay filled in financial report must be in line with ITR. In the sheet with the tab name “1. Staff Costs”, in the column “Supporting Document Ref.”, write the ref. number of the related JD, while in the sheet with the tab name “2-3-6. Travel Costs&CoS&EC” write the ref. number of the related ITR.

Instructions related to the Coordinator’s technical progress report and final report on implementation of the action are available on the EACEA website (https://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2019_en).

9.1 Reporting obligations of the Coordinator after the first year of the project

The Coordinator has to send to EACEA a technical progress report on the implementation of the action (and summary report for publication) within 60 calendar days following the end of the first year of the project. It has to be filled in and submitted by the Coordinator via the eReports system, which is an online tool available on the EACEA Participant Portal. Along with this report, the Coordinator has to attach the following:

- financial statement on the costs incurred (a template in excel format on IESP website, in the “Team zone” section – see chapter 13)
- declaration of honour (a template on IESP website, in the “Team zone” section – see chapter 13)
- table of achieved/planned results (a template on IESP website, in the “Team zone” section – see chapter 13)
- dissemination plan (if available)
- quality assurance plan (if available)

In case the consortium has spent at least 70% of the first pre-financing instalment, a request for the second instalment can be attached with documents listed above.

Since no financial supporting documents need to be submitted with financial statement at this stage (unless requested by EACEA), the eligibility of the expenses will only be verified following the submission of the final report and the required supporting documents. As a result, the approval of the progress report refers exclusively to the acknowledgement of the project activities but does not imply the eligibility of the indicated expenses.

9.2 Reporting obligations of the Coordinator after the end of the project

Within 60 calendar days after the end of the project implementation period the Coordinator has to send to EACEA a final technical report on the implementation of the action (and summary report for publication), online through the EACEA Participant Portal. Along with this report, the Coordinator has to attach the following:

- final financial statement and request for payment of the balance, including the financial tables for each budget category (templates are included as separate excel spreadsheets in a comprehensive financial statement template, which is given on IESP website, in the “Team zone” section – see chapter 13)
- supporting documents for incurred expenses, if required (see Table 11, in chapter 5.7 in this handbook)
- declaration of honour (a template on IESP website, in the “Team zone” section – see chapter 13)
- table of achieved results (a template on IESP website, in the “Team zone” section – see chapter 13)
- external audit report and certificate on the Coordinator’s financial statement and underlying accounts (“Report of Factual Findings on the Final Financial Report – Type II” – on IESP website, in the “Team zone” section, see chapter 13 in this handbook)

“Report of Factual Findings on the Final Financial Report – Type II” contains guidance notes related to the exact role and procedures to be respected by the auditor, as well as a mandatory template for the audit report and engagement letter between the Coordinator and the auditor.

The costs of the audit certificate are eligible costs of the project. The Coordinator is free to choose a qualified external auditor, including its statutory external auditor, provided that the external auditor is independent from the Coordinator.

Just for transparency and statistical purposes, the financial statement will need to provide an indication on the level and source of own financial contribution of participant institutions, for expenditures which were not specifically foreseen and included in the budget (for dissemination, publishing, translation if not subcontracted, as well as for overheads costs, bank fees, etc), without submitting the related proof of expenditures or supporting documents. In fact, these expenditures covered by the co-financing will not be taken into account by EACEA for the final calculation of the total eligible grant amount and therefore will not have any financial impact on it. There is a separate excel spreadsheet in the financial statement template, dedicated to own financial contribution (tab name: “Co-financing”).

The approval of the final report will be subject to uploading the project's results and the revised project description in Erasmus+ Project Results Platform by the time of its submission. This platform is used also to disseminate and exploit the project’s results. The Coordinator must provide a revised text for the project description, stating what has actually been achieved during the project, which will appear in the project description section of the project page on the platform.

9.3 Reporting obligations of the Partners

The Coordinator is responsible for submitting to EACEA all reports on behalf of the IESP project consortium. Therefore, the Partners will provide the Coordinator in a timely manner with reports as defined in Article 6 of the Partnership Agreements, as well as with all necessary information and, if applicable, copies of supporting documents needed for drawing up technical reports, financial statements and any other documents required by EACEA.

Dates of the Partners’ periodic reports are given in Table 13 below:

periodic reports	period covered by reports	deadline for submission
1 st technical progress report + 1 st financial report	15/11/2019 – 14/05/2020	31/05/2020
2 nd technical progress report + 2 nd financial report	15/11/2019 – 14/11/2020	30/11/2020
3 rd technical progress report + 3 rd financial report	15/11/2019 – 14/05/2021	31/05/2021
technical final report + financial final report	15/11/2019 – 14/11/2021	30/11/2021

Table 13: Dates of the Partners’ periodic reports

Templates for the Partners’ periodic reports are available on IESP website in “Team zone” section (see chapter 13). “Table of achieved and planned results” (for progress reports) and “Table of achieved results” (for final report) are given as separate forms, but are an integral part of technical reports, i.e. have to be attached/submitted along with them. Also, along with financial report the Partners have to submit the report’s front page given as a separate form.

The Partners will regularly provide the Coordinator with all kinds of supporting documents mentioned in chapters 5.5.1.1, 5.5.2.3, 5.6.2.1, 5.6.3.1 and summarised in Table 11 in chapter 5.7, preferably as soon as those documents are produced/issued, and at the latest along with periodic reports. Thus, at the moment of submission of the Partners’ periodic reports, for all expenses presented in the financial report the Coordinator has to have received corresponding documentation that can contribute to verify all those expenses. For each of the concrete expenditures the Partners will also provide proof of payments in the form of excerpts from the bank account. All of that will be done/submitted by placing scanned versions on the “Time zone” section on IESP website and also by delivering paper versions to the Coordinator (only the periodic reports in original while for other documents the originals will be retained by the Partners and certified copies delivered to the Coordinator).

The Partners will regularly send also the reports on realisation of different events (info days, workshops, seminars, conference, meetings, trainings, etc), information related to appearance in media, and preferably the related photos, which may be used for further promotional purposes for the project. This will be done by placing on the appropriate section of the IESP website all of that material and the related web links.

10. Checks, audits and evaluations performed by EACEA

EACEA and/or the European Commission or any other entity authorised by it may, during the implementation of the project or afterwards, carry out technical and financial checks and audits. It may also check the institutions’ statutory records for the purpose of periodic assessments of unit cost. Those checks/audits may be done at any time up to 5 years, starting from the date of payment of the balance at the end of the project. Therefore, the project participants must keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by their respective national law, during a period of 5 years starting from the date of payment of the balance. This period is longer if there are ongoing audits, appeals, litigation or pursuit of claims concerning the grant, including irregularities, fraud or breach of obligations. In such cases, the project participant institutions must keep the documents until such audits, appeals, litigation or pursuit of claims have been closed.

Where a check, audit or evaluation is initiated before the payment of the balance, the Coordinator must provide any requested information, including information in electronic format. Where appropriate, EACEA and/or the Commission may request that the Partner provides such information directly. Where a check or audit is initiated after payment of the balance, the requested information must be provided by the Partner concerned.

On the basis of the final audit findings, EACEA and/or the Commission may take the measures it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it.

11. Possible financial penalties – reduction of the initially awarded grant amount

11.1 Penalties in the case of non-compliance with an obligation defined under the Grant Agreement

Without prejudice to the right to terminate the grant, in case that the project participants fail to fulfil an obligation from the Grant Agreement, particularly if it is the case of non-compliance with publicity obligations, i.e. with the visibility of EU funding, EACEA may apply a 20% reduction of the initially awarded grant amount.

11.2 Penalties in the case of poor, partial or late implementation of the action

Penalties shall be applied in case the final technical report provides evidence that the project implementation was not addressed with the required attention and according to the terms laid down in the Grant Agreement.

The final report and the outputs produced by the project (publications, conference papers, presentations, etc) will be assessed and score will be awarded, up to a maximum of 100 points. The score awarded will take into account the existence and seriousness of late, partial, poor, or non-implementation of the project action, and its impact on the achievement of the project objectives. If the total score is below 50 points, a reduction of the initially awarded maximum grant amount will be implemented, according to the following scale:

- 25% reduction if the project scores at least 40 points and below 50 points
- 35% reduction if the project scores at least 30 points and below 40 points
- 55% reduction if the project scores at least 20 points and below 30 points
- 75% reduction if the project scores below 20 points

The Coordinator will have the possibility to react to the first evaluation of the final report and to provide supplementary information on the project implementation. The Coordinator will be informed about the project performance assessment and about compliance with publicity obligations also after submission of progress report.

12. Calculation of the final eligible grant amount

The grant may not exceed the maximum amount initially authorised in the Grant Agreement.

The final amount of the grant is determined by EACEA prior to a possible payment of the balance, and following examination of the final financial statement and the related verification of the eligibility of the activities implemented and declared expenses. Declared unit costs/expenses that will be identified as ineligible in line with the provisions of the Grant Agreement will be deducted from the total amount declared in the final financial statement. On the other hand, if there are penalties to be applied, these will be deducted from the initially awarded maximum grant amount. Which of the two results of deduction is lower (one obtained after deduction with ineligible costs and the other after deduction with penalties) will represent the final (eligible) grant amount.

Afterwards, it remains to be calculated will there be a balance payment to the Coordinator (if the final grant is higher than the total amount of previous pre-financing instalments), or a recovery payment to EACEA (if the final grant is lower than the total amount of previous pre-financing instalments).

Approval of the final grant and of the accompanying documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information it contains. This can be subject of further control and audits visits.

The way how the final grant and balance payment (or recovery) are determined is shown also in the figure below.

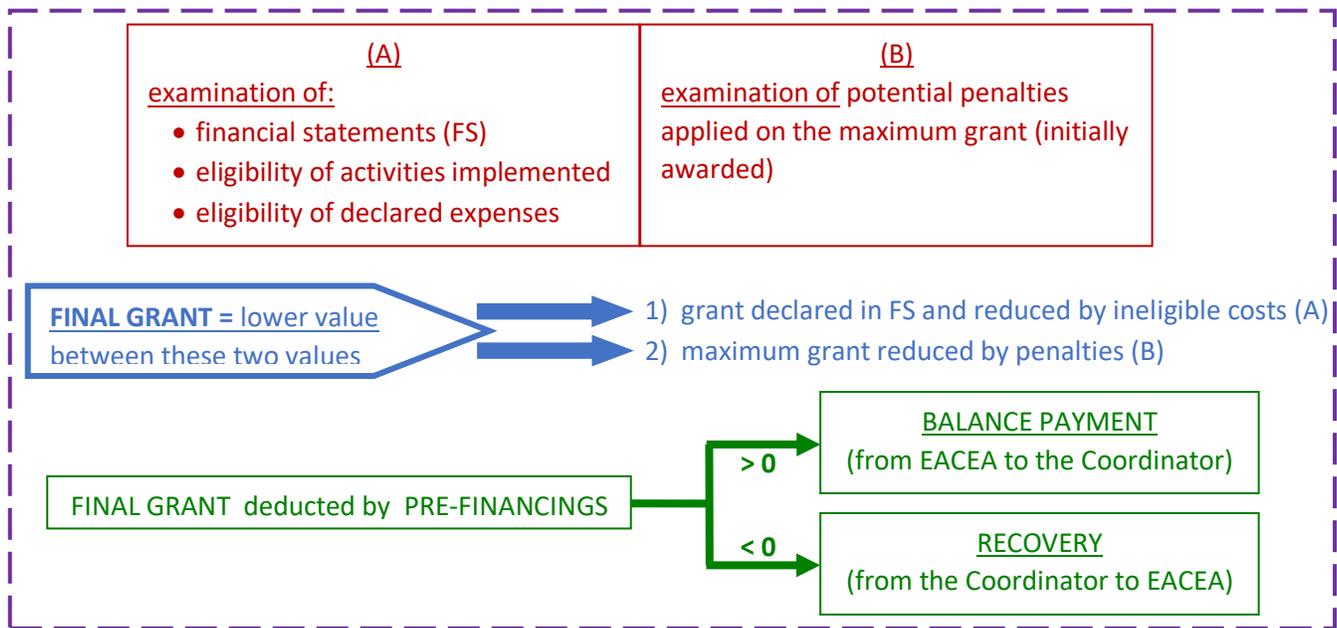


Figure 2: Calculation of the final grant amount

13. List of documents/templates given on IESP website, in the “Team zone” section

The “Team zone” section on IESP website is dedicated only for internal use within the consortium – each Partner will access this section with unique credentials (username and password) assigned by the Coordinator. Here are the links for accessing the “Team zone”:

- <https://www.iesp.ucg.ac.me/administracija/> – for file upload;
- https://www.iesp.ucg.ac.me/team_zone.php – for review of uploaded material;

The following documents, explained in this handbook, **have to be used by the consortium members** and the templates can be found in the “Team zone” section:

- 1) Joint declaration;
- 2) Time-sheet;
- 3) Travel application form;
- 4) Individual travel report;
- 5) Financial statements/reports and payment requests (including a statement on the use of the previous pre-financing instalments and the final statement) – these templates are included as separate spreadsheets in a comprehensive excel file, including the financial tables for each budget category;
- 6) Front page for the Partners’ periodic financial reports;
- 7) Technical reports;
- 8) Table of achieved and planned results, for individual WPs (to be submitted with technical progress report);
- 9) Table of achieved results, for individual WPs (to be submitted with technical final report);
- 10) Declaration of honour (to be submitted by the Coordinator, with progress report);
- 11) Declaration of honour (to be submitted by the Coordinator, with final report);
- 12) External audit report and certificate on the Coordinator’s financial statement and underlying accounts (“Report of Factual Findings on the Final Financial Report – Type II”);