

**EUROPEAN COMMISSION**

**DIRECTORATE-GENERAL  
JUSTICE, FREEDOM AND SECURITY**

**DIRECTORATE D: INTERNAL SECURITY AND CRIMINAL JUSTICE**

**APPLICANTS' GUIDE TO THE  
PROGRAMME  
"PREVENTION OF AND FIGHT  
AGAINST CRIME"  
2007**

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# I. INTRODUCTION

## I.1. PURPOSE OF THE GUIDE

The purpose of this Guide is twofold:

- to help applicant organisations and their partners in the preparation of project proposals and application for the Community co-funding, and
- to provide organisations, whose projects have been selected, with operational, administrative and financial management guidelines.

The content of this Guide is based on the grants section of the Financial Regulation of the European Communities (FR)<sup>1</sup> and on its Rules for the Implementation (RI)<sup>2</sup> as well as on other relevant documents.

## I.2. HOW TO USE THE GUIDE

The structure of this Guide reflects the various stages of the project lifecycle:

- preparation and submission of the proposals;
- selection, evaluation and award procedures;
- preparation of the grant agreements and their annexes;
- request for changes in the project and/or its budget;
- pace of payments;
- evaluation of final narrative report and determination of the final amount of grant;
- evaluation and dissemination of results.

These guidelines form a set of good practices, which organisations are asked to follow. Other management procedures must be justified and can only be considered provided that:

1. They are fully compatible with the Financial Regulation of the European Communities, the legal basis of the programme and the call for proposals;
2. They are transparent;
3. They do not contradict the general philosophy of the Prevention of and Fight against Crime programme or the standard rules of good management;
4. They are fully explained.

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<sup>1</sup> Regulation (EC, Euratom) N° 1605/2002 on the Financial Regulation (FR) applicable to the general budget of the European Communities as amended by the Council Regulation (EC, Euratom) N° 1995/2006 of 13 December 2006.

<sup>2</sup> Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation (IR) of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities (Official Journal L 357, 31/12/2002), as amended by Commission Regulation (EC, Euratom) No 1261/2005 of 20 July 2005, by Commission Regulation (EC, EURATOM) No 1248/2006 of 7 August 2006 and by Commission Regulation (EC, Euratom) No 478/2007 of 23 April 2007.

### **I.3. DEFINITION OF TERMS FREQUENTLY USED**

**Applicant organisation (the applicant):** any body or organisation with legal personality submitting a proposal for a project within the scope of the Prevention of and Fight against Crime programme. The applicant organisation becomes the beneficiary (see below) if the proposal is awarded a grant and a written grant agreement is signed.

**The beneficiary:** any body or organisation with legal personality party to the grant agreement and responsible for the day-to-day co-ordination and management of the project, including the distribution of the Community funds allocated to this project.

**Partners:** all the bodies or organisations participating in the submission of a proposal for a trans-national project. The partners of the project, other than the applicant, must sign a Partnership Declaration by which they agree to contribute to the implementation of the project, as described in the application.

**Target Groups:** specific categories of persons to which the project is directly addressed.

**National projects:** projects to be carried out within a single Member state. They may be of three types: a) prepare transnational projects and/or Community actions ("starter measures"); b) complement transnational projects and/or Community action ("complementary measures"); c) contribute to developing innovative methods and/or technologies with a potential for transferability to actions at Community level, or develop such methods or technologies with a view to transferring them to other Member States and/or candidate country.

**Trans-national projects:** projects that involve partners in at least two Member States, or in at least one Member State and one candidate country.

## **II. The Programme Prevention of and Fight against Crime (contact details):**

### **For more information:**

The e-mail address of the programme:  
JLS\_ISEC@ec.europa.eu

The postal address is:  
European Commission  
Directorate-General Justice, Freedom, Security  
Unit D4: Financial Support  
Office LX46  
B-1049 Brussels

Information on the programme Prevention of and Fight against Crime is available on the website of the European Commission, Directorate-General Justice, Freedom and Security, at the following address:

[http://ec.europa.eu/justice\\_home/funding/isec/funding\\_isec\\_en.htm](http://ec.europa.eu/justice_home/funding/isec/funding_isec_en.htm)

## III. GUIDELINES FOR APPLICANTS

### III.1. HOW TO APPLY?

#### Conditions

1. Use the official grant application form; otherwise, the application will not be eligible. The application form can be downloaded from:  
[http://ec.europa.eu/justice\\_home/funding/isec/funding\\_isec\\_en.htm](http://ec.europa.eu/justice_home/funding/isec/funding_isec_en.htm)
2. The application form should preferably be completed in the language of the form.
3. The application form must be completed in word-processing format; applications completed by hand will not be eligible.
4. The following should be submitted to the Commission:
  - Three (3) print-outs of the application form, **the budget estimate and the implementation timetable, duly completed, signed and dated;**
  - an electronic version of the application form, the budget estimate and the implementation timetable, on diskette or CD-ROM;
  - all other documents indicated in the Call for Proposals.
5. In the case of trans-national projects, the partners in the project **must complete and sign a Partnership Declaration** indicating their role, description of the tasks and, where applicable, the amount of their financial contribution to the project.
6. For further information, see the Call for Proposals of the programme Prevention of and Fight against Crime.

### III.2. GUIDELINES CONCERNING THE PRESENTATION OF THE PROPOSAL

The application form has been structured in a sequential way and once completed should contain all the information relevant to the evaluation of the proposal.

While completing the application form, it is important to:

- be precise;
- provide detailed and clear information, while remaining concise, and
- concentrate on the key features, objectives and results of the project.

The evaluators will assess the proposal in relation to the selection and award criteria contained in the Call for Proposals.

### **III.3. GENERAL REMARKS REGARDING THE EXPENDITURE**

#### **III.3.A. Information on the budget**

As part of the application, the applicant must provide a detailed budget estimate for the project in euros, with information on both planned expenditure and expected revenue (indicating the amount of co-financing requested from the Commission, own funding and any other funding). To this end, it is required to use the *ad hoc* budget form. Financial contributions from the applicant, partners and other sources must be entered under the appropriate headings.

The Commission's financial contribution cannot exceed 70% of total eligible costs. You will therefore need to secure funding from other sources to cover the balance.

After signature of the grant agreement, the Commission will make a pre-financing (usually 60%) of the total amount of grant to the beneficiary. In certain cases, you may be asked to provide a financial guarantee in order to receive the pre-financing.

The budget form provided by the Commission in Microsoft Excel format must be correctly completed. It is important to include precise and detailed information: functions of staff, the rate per unit, units used (hour, man day, day, month, trip, book, pages, etc.), number of units, etc.

Community funding may under no circumstances give rise to a profit for the beneficiary. The definition of profit is laid down as follows in Art.165 (IR):

- (a) a surplus of receipts over the costs of the action in question when the request is made for final payment of a grant for an action, subject to the second subparagraph;
- (b) a surplus balance on the operating budget of a body in receipt of an operating grant.

#### **III.3.B. Rules concerning eligible expenditure<sup>3</sup>**

There are two main categories of expenditure: eligible direct costs and eligible indirect costs (overheads).

##### **1. Eligible Direct Costs**

Costs necessary for the implementation of the activity. These costs would not have been incurred if the activity had not been carried out.

In the context of grants, the costs considered eligible for Community funding are those that satisfy the following criteria:

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<sup>3</sup> The lettering used under this section corresponds to the ones used in the ad hoc project budget form.

- they must be directly connected with the activity of the proposal and they must be for items which have been entered in the estimated budget;
- they must be necessary for the performance of the action outlined in the proposal;
- they must be reasonable and justified and they must be in accordance with the principles of sound financial management, in particular in terms of value for money and cost-effectiveness;
- they must be generated during the lifetime of the action as specified in Article I.2 of the Grant Agreement. Only expenditure incurred after the starting date of the action and before the date of completion of the action is eligible. Expenditure made during the three-month reporting period following the completion date of the action is ineligible;
- they must be incurred by the beneficiary and recorded in its accounts or tax documents and they must be identifiable and verifiable. Expenses incurred by the partner organisations shall only be deemed to be eligible provided that they have been re-invoiced to the Beneficiary and appear in the Beneficiary's accounts.

In particular, the following direct costs are eligible:

- the cost of staff;
- travel and subsistence allowances;
- the purchase cost of equipment (depreciation), if indispensable for the implementation of the action;
- costs of consumables and supplies;
- costs entailed by contracts awarded by the beneficiary for the purposes of carrying out the action, provided that the conditions laid down in Article II.9 of the Standard Grant Agreement are met<sup>4</sup>;
- costs arising directly from requirements imposed by the agreement (dissemination of information, specific evaluation of the action, audits, translations, copying, etc.), including the costs of any financial services (especially the cost of financial guarantees and cost of bank transfers).

#### *A. Staff costs*

The cost of staff assigned to the action, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, provided that this does not exceed the average rates corresponding to the beneficiary's usual policy on remuneration.

Staff costs must be calculated on the basis of the actual hourly, daily, weekly or monthly salary/fee of the employee/service provider, multiplied by the number of hours, days, weeks

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<sup>4</sup> If the beneficiary has to conclude contracts in order to carry out the action and they constitute costs of the action under an item of eligible direct costs in the estimated budget, he shall seek competitive tenders from potential contractors and award the contract to the bid offering best value for money; in doing so he shall observe the principles of transparency and equal treatment of potential contractors and shall take care to avoid any conflict of interests.



or months worked on the project. Where applicable, this figure must include all the usual contributions paid by the employer, such as social security contributions, but must exclude any bonuses, incentive payments or profit-sharing schemes.

**Staff costs relating to civil servants**, or personnel employed by public authorities in general, are not eligible, if they relate to periods when the personnel concerned are doing their "normal" work – that is, work which they would be doing whether or not the project had been awarded a grant.

The costs of such personnel are therefore **eligible only if**:

- a person is contracted by the organisation solely for the purpose of implementing the project;
- a person is employed on a permanent basis by the applicant organisation, and will fulfill tasks specifically linked to the implementation of the project on the basis of overtime remuneration on the basis of a clear and verifiable method (timesheets);
- a person is employed on a permanent basis by the applicant organisation, seconded by a duly documented decision of the organisation to tasks that are specifically linked to the implementation of the project and do not form part of his/her normal routine, and he/she is replaced for his/her usual tasks by another person recruited by the organisation;
- a person is employed on a permanent basis by the applicant organisation, seconded by a duly documented decision of the organisation to tasks that are specifically linked to the implementation of the project and that will be allocated to the project on the basis of a clear and verifiable method (timesheets).

The applicant must provide this information on the appropriate form (Explanatory note on officials and staff) provided on the programme's website.

In order to determine whether salaries are acceptable, the indicative amounts, for a full-time working day with all charges included, are in principle €450 for ISCO1, €300 for ISCO2, €250 for ISCO3 and €125 for ISCO4<sup>5</sup>. The actual amounts must, however, correspond to the real cost of salaries in the country where the activities take place.

Please note that staff costs cannot include expenditure for translation/interpretation, which must be included in “Conferences” (heading E), “Publications” (heading F) or “Other direct costs” (see heading G below).

#### *B. Travel expenses and subsistence allowances for project staff*

This section concerns costs charged for project staff and excludes costs related to conferences and seminars, which must be accounted for under “Seminars and Conferences”, Heading E.

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<sup>5</sup> For further information, please check:  
<http://www.ilo.org/public/english/bureau/stat/isco/isco88/major.htm>.

Only travel and subsistence costs directly linked to the project and relating to specific and clearly identifiable activities are eligible for Community funding. Travel to places other than those where the members of the partnership are located must be shown to be relevant to the project.

Allowable travel costs under the agreement will be the real travel costs. It is required to use the cheapest means of travel and to make every effort to obtain the most economical fare. The maximum amount normally allowed for return flights within Member States is € 400. Exceptions may be granted only in duly substantiated cases (for example, where an event is unavoidably held at a location which is unusually expensive to travel to).

Expenses for car travel, where substantiated and where the price is not excessive, will be refunded as follows:

1. For private vehicles: on the basis of the declaration with a maximum corresponding to a 1<sup>st</sup> class rail fare (only the price of one ticket will be reimbursed, regardless of the number of people travelling in the same vehicle) or on the basis of the beneficiary's internal rules on reimbursement per km.
2. For hired cars (maximum category B or equivalent) or taxis: the actual cost where this is not excessive compared with other means of transportation.<sup>6</sup>

The subsistence allowances for staff taking part in the action shall be calculated on the basis of daily allowances or real costs. They should be in line with the beneficiary's usual practices on travel costs. The amounts eligible for Community funding cannot exceed those indicated below.

Subsistence costs (comprising the cost of accommodation, all meals and all other expenses such as taxis and local travel) may be co-financed by the project, provided:

1. They are reasonable in light of local prices;
2. They are calculated in accordance with the beneficiary's or a partner organisation's internal rules, which may be based on the real cost or the daily allowance.

In principle, the subsistence costs may not exceed:

- The daily (per diem) per person set and applied by the organisation to which the person travelling belongs, or
- The maximum daily allowance per person shown below. If there is no overnight stay the amounts shall be reduced by 50%.

<b>DESTINATIONS</b>	<b>Indemnité Journalière en EUR</b>	<b>Plafond des frais d'hébergement (hôtel) en EUR</b>
Allemagne	93	115
Autriche	95	130
Belgique	92	140
Bulgarie	58	169
Chypre	93	145
Danemark	120	150

<sup>6</sup> Local transportation, including by taxi, will not be reimbursed where a per diem subsistence is paid.

Espagne	87	125
Estonie	71	110
Finlande	104	140
France	95	150
Grèce	82	140
Hongrie	72	150
Irlande	104	150
Italie	95	135
Lettonie	66	145
Lituanie	68	115
Luxembourg	92	145
Malte	90	115
Pays-Bas	93	170
Pologne	72	145
Portugal	84	120
République Tchèque	75	155
Roumanie	52	170
Royaume-Uni	101	175
Slovaquie	80	125
Slovénie	70	110
Suède	97	160

### *C. Equipment (new or second-hand)*

Amortisation based on the purchase cost of equipment (new or second-hand) is eligible for co-funding provided that it is written off in accordance with the tax and accounting rules applicable to the beneficiary and generally accepted for items of the same kind. Only the portion of the equipment's depreciation corresponding to the duration of the action from the date of purchase and the rate of actual use for the purposes of the action may be taken into account for co-funding, except where the nature and/or the context of its use justifies different treatment by the Commission.

In some cases, expenses related to the purchase, rental or leasing of computer and audio-visual equipment may be admitted. The applicants must then:

- justify why equipment needs to be purchased, rented or leased to carry out the activity;
- compare the prices of different suppliers to see who offers the best value for money (taking account of price and quality);
- charge against the project only the cost of equipment purchased or rented during the contract period, at a rate, which reflects the degree and duration of use within that period. Where equipment is purchased, the contractor must apply an annual depreciation rate in accordance with the national rules<sup>7</sup>.

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<sup>7</sup> *Example:*

*Total value: €1 000.*

*Depreciation period according to national rule: three years (36 months).*

Equipment leased or rented shall be co-funded provided the leasing cost does not exceed the eligible cost if it was to be purchased instead.

The equipment purchased must be itemised in the organisation in which it is installed and bear an inventory number.

Contractors must abide by the principles of sound management when deciding to rent, lease or purchase equipment and must be able to justify their choice.

Depreciation of immovable property is not eligible for co-funding as a direct cost and must be covered from the amount allowed for overheads (Heading L "Eligible Indirect Costs").

Full depreciation can be accepted only if the nature of the operation and/or the use of the property warrant it, notably when equipment is completely consumed or destroyed during the course of the project.

#### *D. Consumables and Supplies*

Consumables and supplies, provided that they are identifiable and assigned to the action, may be treated as eligible direct costs only where they involve unusually heavy costs because of a specific characteristic of the project – for example, the cost of producing and distributing questionnaires as part of a major survey, etc.

Otherwise, costs such as office stationary (pens, paper, folders, ink cartridges, diskettes...), electricity supply, telephone and postal services, Internet connection time, computer software, etc. are to be considered as indirect costs (see Heading L "Overheads").

Consumable and supplies related to conferences and seminars must not be included under this heading. They have to be accounted for under Heading E "Conferences and Seminars".

#### *E. Conferences and Seminars*

All costs related to seminars and conferences must be included under this budget heading regardless of their nature (travel, subsistence, translation and interpretation costs, printing, photocopying, consumables and supplies, etc.).

This heading should also include the travel expenses and subsistence allowances for project staff participating in a conference/seminar. Subsistence expenses can be indicated on the basis of daily allowances (lump sums) or on real costs. The amounts indicated in the table for Heading B above are also the maximum rates that can be claimed under Heading E.

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*Permissible monthly depreciation will then be € 1 000/36 = € 27.78.*

*Duration of the agreement: from 1/09/2004 to 31/08/2006, i.e. 24 months.*

*Date of purchase (= date of invoice): 30/03/2005*

*The period of use for the project will then be not more than 17 months.*

*Supposing the equipment is used on a half-time basis for the project, the utilisation rate will be 50%.*

*The eligible depreciation value under the grant will then be:*

*(27.78 x 17) x 0.5 = € 236.13.*

A detailed breakdown for such costs must be provided.

#### *F. Publications and dissemination*

In order to be eligible for Community funding, publications must be produced by and for the use of the project. The type of publication, estimated number of pages, number of copies, translations (including the language(s)) must be clearly indicated in order to justify the costs of editing and printing.

Any communication or publication by the beneficiary about the action, including at a conference or seminar, shall indicate that the action has received funding from the Community.

#### *G. Other direct costs*

The costs of external contracting (research, technical feasibility, etc.) are to be indicated here.

Sub-contracting costs are eligible only if the staff of the beneficiary or its partners does not have the skills required.

Other direct costs not falling into any of the Headings A to F may be entered under Heading G, provided they are necessary for the proper implementation of the action.

Typical expenses under this heading include:

- charges for financial services in specific contexts (charges for bank transactions, transfers, bank guarantees, deposits). However, interest charges and exchange losses are not eligible;
- other costs stemming from obligations under the grant agreement (reports, translations<sup>8</sup>, certificates, etc.);
- external audits on project evaluations, if agreed or requested by the Commission.

## **2. Eligible Indirect Costs**

#### *L. Overheads*

Unlike direct costs, indirect costs (Overheads) relate to categories of expenditure that are not identifiable as specific costs directly linked to and necessary for carrying out the action. If provision is made in Article I.3.2 of the Grant Agreement for flat rate funding in respect of indirect costs, they need not be supported by accounting documents.

Overheads cover the following costs: administration and management expenses, depreciation (according to the calculation methods of the national legislation of the beneficiary) of buildings and equipment, rents, maintenance costs, telecommunication and postage, heating, water supply, electricity or other forms of energy, office furniture, office stationary and insurance policies. The maximum allowed rate is 7% over eligible direct costs.

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<sup>8</sup> Except for translations/interpretation related to conferences/seminars or to publications, which should be indicated in the specific budget heading (E).

Organisations receiving an operating grant from the EU budget shall not include indirect costs in their estimated budget for an individual action.

### **III.3.C. Non-eligible costs**

The following costs shall not be considered eligible:

- Return on capital;
- Debt and debt service charges;
- Provisions for losses or potential future liabilities;
- Other interest owed;
- Doubtful debts;
- Exchange losses;
- VAT, unless the beneficiary can show that he is unable to recover it;
- Costs declared by the beneficiary in connection with another action or work programme receiving a Community grant;
- Excessive or reckless expenditure;
- Contributions in kind (this Programme is not one where they are exceptionally allowed);
- Gifts and presents;
- Touristic or cultural side programmes, tours or events for accompanying spouses, etc.;
- Costs that are not identifiable or verifiable on the basis of supporting documents.

## **III.4. SELECTION AND CONTRACTING OF PROJECTS**

### **III.4.A. Eligibility, Selection and Award criteria**

The project selection procedure takes place in three stages:

#### **Eligibility check**

Project applications will be checked to ensure that they fully comply with the general and specific eligibility criteria. Applications which do not include all of the required documents, fully completed, will be deemed ineligible. The exclusion criteria will also be applied.

#### ***Selection***

Grants will be awarded taking into account the selection criteria established in the Call for proposals, notably the economic and financial capacity and the technical capacity of the applicant to carry out the project which they have proposed.

### ***Evaluation***

The merits of projects will be evaluated and projects will be, where necessary, ranked on the basis of the award criteria.

### ***Notification of award decisions***

The modalities and indicative timetables for the notification of award decisions are specified under each Call for proposals.

## **III.4.B. Revised Budget estimate**

In order to finalise the estimated budget to be included in the written grant agreement, the Commission services may invite applicants who have been awarded grants to revise cost items which are not in compliance with the rules on eligible costs.

It is important to note that the amount detailed in the grant agreement represents the maximum grant allocated for the project. It is calculated as a percentage of the total eligible cost of the project. The same percentage will be used when calculating the final amount of grant to be paid. If the final expenditure turns out to be lower than the estimated budget for, the Commission's contribution will be calculated on the basis of the percentage indicated in the agreement. If the final expenditure turns out to be higher than the expenditure budgeted, the awarded grant cannot be increased, and will be limited to the maximum amount in euros mentioned in the agreement.

The final grant amount is also subject to application of "no profit rule".

## **III.4.C. Execution of the written grant agreement**

Once the Commission services have approved all the elements of the project (including the budget estimate), a grant agreement (contract) for the co-financing of the selected project will be issued and sent to the beneficiary (in duplicate). The beneficiary must return both originals of this agreement, dated and signed by the legal representative and initial each page of the two originals of the grant agreement and of its Annexes I, II and III.

It is recommended to dispatch these documents by registered mail. The Commission services will then countersign both originals of this agreement and return one original to the contractor.

Please note that the signed agreements must be returned to the Commission within the time specified in the letter of transmission. If the agreement is not returned within this time limit, the Commission reserves the right to consider that the promoter renounces the grant.

Grant applicants should analyse the standard grant agreement published with the Call for proposals so as to be aware of the terms of the grant agreement which they will be required to sign, if successful in their application.

The standard grant agreement and related documents for this Call can be obtained from:

[http://ec.europa.eu/justice\\_home/funding/isec/funding\\_isec\\_en.htm](http://ec.europa.eu/justice_home/funding/isec/funding_isec_en.htm)

## **III.4.D. Financing**

Payment will be normally made in two instalments:

- A pre-financing payment, usually 60%, within 45 days from the date of the signature of the agreement by the last of the two parties;
- The payment of the balance after receipt of a formal request within 90 days of submission to the Commission of a final report and a final statement of expenditure, together with any project-specific results specified in the grant agreement (for example, books or other publication, videos, CD-ROMs, etc). A full list of the documents to be submitted is indicated in Annex III of the standard grant agreement, available on the programme's website. Expenditure should be declared in the currency they have been recorded in the beneficiary's accountancy, or in the currency of the relevant invoice.

In exceptional and duly justified cases, a second pre-financing or an interim payment can be provided for in the grant agreement, subject to the additional conditions applying in the event of such payments.



## **IV. GUIDELINES FOR PROJECT MANAGEMENT**

### **IV.1. OPERATIONAL MANAGEMENT**

#### **IV.1.A. General remarks**

Please ensure that all correspondence bears the reference number of your project, which you will find in the letter of acknowledge of receipt of the project proposal.

The contracting organisation shall inform the Commission of any changes in its contact details.

#### **IV.1.B. Expected results and impact**

Emphasis must be placed on achieving the expected results and objectives rather than on the mere implementation of the activities. If, for any reason, a proposed activity can no longer deliver the expected results or if the results have already been achieved, the activity should not be implemented.

#### **IV.1.C. Management style**

Each organisation has its own management culture that the Commission respects as long as it is not discriminatory or otherwise contrary to the principles and values of the Programme.

Whatever the management system is, a high degree of transparency and accountability is expected.

#### **IV.1.D. European added value and Commission visibility**

Applications should propose ways to “replicate” the outcome and success of their project in other European countries and to disseminate and exchange information at European level about their actions (materials, conclusions, lessons learnt, etc.). They should contribute to advancing knowledge or expertise on future European policy issues and, conversely, should be consistent with established EU policy.

Projects benefiting from a grant must give adequate visibility to the funding received from the European Union, Prevention of and Fight against Crime programme and, in particular, in the materials produced by the project. The Commission will provide information to the successful applicants on what form this publicity should take.

## IV.2. ADMINISTRATIVE MANAGEMENT AND REPORTING TO THE COMMISSION

The grant agreement, including its Annexes, is legally binding.

This means that the beneficiary organisation, partners involved, project location(s), budget, length and schedule of the activity, etc. cannot be changed, except for exceptional reasons duly justified and with the prior written approval of the Commission services and, where necessary, an amendment of the grant agreement. Unauthorised changes in any of these key aspects, as well as partial implementation of foreseen activities may prompt the Commission to terminate the grant agreement and request the reimbursement of the pre-financing payment or to lower the percentage of co-financing.

### IV.2.A. Contract Amendments

Where a change would improve the effectiveness or the efficiency of the project, it may be proposed to the Commission. In all cases, a motivated request must be sent to the Commission services, which have to authorise the changes before their implementation. The Commission will not agree to any change which would change the nature of the action, nor any unnecessary departure from the proposal on which the award decision was based.

If an amendment to the Grant Agreement is required, the contracting organisation should submit a written request to the Commission in good time, before it is due to take effect and in all events 2 months before the end date of the action, except in cases duly substantiated by the beneficiary and accepted by the Commission.

Any amendment to the agreement must be the subject of a signed written supplement to the agreement concluded between the parties. No verbal agreement or exchange of e-mail may bind the parties to this effect.

Any request for an amendment covering activities already executed cannot be accepted.

The Table below provides some examples of the changes that require an amendment to the Grant Agreement.

<b>EXAMPLES OF CASES WHERE THE GRANT AGREEMENT SHOULD BE AMENDED:</b>	<b>DOCUMENTS TO BE SUBMITTED ALONG WITH THE REQUEST FOR AN AMENDMENT:</b>
Addition or replacement of one or more partners to the action	-Signed partnership declaration(s) -Updated description of the action -Changed budget, if the change has an implication for the budget
Modification of the budget estimate requiring a transfer(s) between headings when an increase of more than 10% of the amount entered under one or more headings is involved	-Updated budget estimate
Inclusion of new items in the budget estimate or change in units of agreed ones	-Updated budget estimate
Change of bank account into which the grant is to be paid	-Duly completed financial identification form

Change of the legal representative of the contracting organisation	-Copy of the decision accompanied by the supporting documents
Reorganisation or other event resulting in change to legal personality	-Duly completed legal entity form, accompanied by the supporting documents

#### **IV.2.B. Final report**

The final report consists of two documents:

- the final narrative report, and
- the final financial statement.

The final narrative report must provide an accurate picture of the project. The contracting organisation is therefore required to use the standard report form of the Programme which can be downloaded at:

[http://ec.europa.eu/justice\\_home/funding/isec/funding\\_isec\\_en.htm](http://ec.europa.eu/justice_home/funding/isec/funding_isec_en.htm)

#### **IV.2.C. Examination and acceptance of the reports**

In order for the Commission to evaluate and accept the final narrative report and the final financial statement, the following formal requirements must be satisfied:

- The templates provided by the Commission must be used;
- The financial statement must be correctly completed according to the existing template, and presented in a consolidated form, downloaded from the website;
- These documents, duly signed and dated, should also be submitted in electronic format;
- The supporting documents must be complete.

The Commission reserves the right to suspend or reduce the payment of any outstanding balance, or to require refunding of the pre-financing, if the form and/or content of the final report and the final financial statement do not conform to the rules and the grant agreement.

In particular, non-eligible expenses or undue VAT or other taxes will be rejected. Also, transfers of amounts exceeding 10% from a budget heading to another, without prior consent of the Commission, will not be accepted.

In order to allow a correct analysis of the final financial statement, the Commission will require the supporting documents, either partially or totally (invoices, staff pay slips, proofs of payment etc.). It should be noted that, when the Commission requires such documents, the normal time delay of 90 days for approval of the final report and for payment is suspended. Such an interruption occurs also when the submitted final accounts or documents are not correct. The countdown resumes when the Commission has received the requested information.

Once the final narrative report and financial statement have been approved, the Commission will issue the corresponding final payment order.

### **IV.3. FINANCIAL MANAGEMENT AND INVOICING**

The financial management of a project co-funded by the Programme must cover the whole of the budget and costs incurred.

#### **IV.3.A. Bank account**

The account specified in the agreement and into which the grant will be paid must be:

1. In the name of the beneficiary (personal accounts are not acceptable under any circumstances);
2. Specific to the project (alternatively, in the case of a general account, the contractor must set up an analytical accounting system allowing both expenditure and revenue connected with the project to be identified);
3. In the country where the contractor is established or in the place of implementation of the action;
4. Structured in order to make it possible to identify funds paid by the Commission.
5. Identified by the IBAN Code.

If the funds paid into this account yield interest or equivalent benefits under the law of the State on whose territory the account is opened, such interest or benefits shall, if generated by pre-financing payments, be recovered by the Commission.

The beneficiary shall declare the interest when submitting the request for interim and final payment. This obligation is lifted for public authorities.

#### **IV.3.B. Accounting system/internal control**

The contracting organisations must set up an analytical accounting system or an adequate internal system, which makes it possible to identify:

- The sources of project funding;
- Project expenditure incurred during the contract period by the beneficiary, its partners and/or third parties.

All transactions in the contract period relating to actual expenditure/income under the project must be recorded systematically using a numbering system specific to each European project. The contracting organisation must keep these accounting records as well as all proofs of expenditure (invoices, receipts etc.) for at least 5 years after the date of completion of the contract.

Expenses incurred by the partner organisations shall only be deemed to be eligible provided that they have been re-invoiced to the Beneficiary and appear in the Beneficiary's accounts.

#### **IV.3.C. VAT, customs duties and other taxes on goods and services**

The beneficiary must ascertain from the competent national authorities the provisions, rules and legislation governing taxation in their countries.

VAT cannot be charged to the project unless it is a final charge, i.e. a charge that is **not deductible and cannot be recovered** by the contracting organisation or the partners.

#### **IV.3.D. Payments of the grant**

Payment arrangements and dates will be laid down in the agreement. However, for contractors' information and to allow for the planning of their budgets, it can be indicated that for a standard 12-month project grant transfers will typically be made as follows:

- A pre-financing payment of 60% within 45 days from the date of the signature of the agreement by both parties;
- The payment of the balance 90 days after receipt of a formal request (within 3 months of completion of the project) and approval by the Commission of a final report and a final statement of expenditure. Documents to be submitted are indicated in Annex III of the standard grant agreement.

#### **IV.3.E. Justifications and proofs to be submitted with the request for final payment**

When applying for the final payment, contracting organisations are required to submit the following documents, all of which must be signed and dated:

- A final narrative report on the implementation of the project (following the template on the website);
- A final statement of expenditure in national currency (following the standard document on the above-mentioned website);
- A summary of maximum two pages in English, French or German explaining the objectives, the context, the target groups, and the achievements of the project (to be put on the Programme's website for dissemination purposes);
- A formal request for payment;
- A bank statement of the amount of interest earned on pre-financing (private bodies only).

Supporting documents (see the sections below) that are not submitted as originals shall be marked as certified copies. Only invoices relating to the period covered in Article I.2 of the standard grant agreement are accepted. If an invoice is dated after this period, the beneficiary must prove that the contract order (for a purchase, service) was undertaken during the duration of the activity. This facility can only be used for certain supplies, translations and publications costs, whereas staff costs, travel and subsistence expenses must have been incurred during the activity period.

#### **PERSONNEL COSTS**

To be eligible, staff costs must respect conditions indicated in section III.3.B (A).

##### Documents to be provided:

- a copy of the employment contract with the person specifically recruited for the project, indicating duties, working hours and salary;
- time sheets, indicating working hours and activity/tasks performed, signed and dated by employee and employer;
- a copy of salary slips of the person for the months they worked on the project or proofs of payment through bank account.

For officials/permanent staff of an organisation:

- proof of the assignment of the person to the project (internal note in the case of persons employed in a permanent way within the organisation), with indication of working hours and tasks;
- a copy of the secondment decision for the person replacing the official/person assigned to the project (public authorities);
- a copy of salary slips of this person. A proof of payment is not requested from public authorities;
- proofs of payment of extra-working hours/overtime, timesheets, copy of the contract (where applicable) (payment through bank account).

External personnel (consultant, interpretation, hostess, researcher):

- a copy of the contract or invoice indicating task, date and hours, rates and amount to be paid;
- proof of payment: bank transfer.

**TRAVEL EXPENSES**

- a copy of the invoice for plane or rail tickets stating name of passenger, date of travel and itinerary or a copy of flight or rail tickets, including boarding passes;
- travel expenses by private car: a copy of the reimbursement claim made to the applicant organisation, and with a maximum of a first-class rail fare. The applicant is asked to indicate the equivalent rail fare for this journey;
- proof of payment or of reimbursement to the participant, if the ticket was bought directly by him (payment through bank account, except if the Commission has authorised other payment forms);
- a copy of the attendance list (dated and signed).

If travel expenses are paid by the participants and are at their charge

- a copy of the tickets. The tickets must bear the name, the date, the itinerary and the price.  
Or a copy of the invoice;
- a copy of the signed attendance list;
- proof of payment

## **SUBSISTENCE EXPENSES**

### **1. Cost declaration on the basis of a fixed daily allowance (recommended):**

The daily allowance includes all costs (hotel, meals, local transport, taxis etc.) and must be within the limit of the beneficiary organisation with a maximum of the amount indicated in the table (section III.3.B (B)). The documents to be provided are:

- the attendance list of the meeting organised, with signature of all participants;
- proof of payment of the daily allowance (payment through bank account)

In case the applicant is using its own system, the following documents must be provided:

- copy of expenses reimbursement claim from staff member (business trip expenses reimbursement claim) indicating place, date and time, dated and signed by employee and employer/person authorising the expenditure;
- attendance list at the meeting organised, with signature of participants;
- proof of payment of the daily allowance (payment through bank account, or signature by participant of a document that he received the indicated amount);
- the daily allowance cannot exceed the rates indicated in section III.3.B (B)

### **2. Cost declaration on the basis of actual cost:**

#### **If the expenditure is borne by the organiser of the project:**

- invoices (with name of the person, date of stay, cost per night, excluding telephone and minibar expenses if hotel invoice);
- invoices (with number of meals, if restaurant);
- all dated receipts for local travel (taxi, train, bus), parking etc.;
- always a proof of payment or reimbursement (payment through bank account).

### **ALL OTHER EXPENSES**

- certified copy of invoices;
- certified copy of proofs of payment.

Translation: always specify target language(s) and length of the text translated (words/ lines or pages) in the invoice.

Interpreters: number of interpreters, language covered, duration, rate per day/or hour.

Equipment:

- invoice.
- apply the depreciation rate (generally 3 years for computer and technical equipment, or rate used by your country's fiscal authority, if more favourable (in this case, attach a copy of the national rule). The date of purchase determines the eligible period of depreciation.

### **INDIRECT ELIGIBLE COSTS (OVERHEADS)**

You will not need to justify the amount, but remember that the type of costs covered through overheads (general administrative costs) cannot be claimed under any other heading.

Indicate the percentage agreed in the contract and apply it to the total eligible costs.

## **IV.4. MONITORING, AUDIT AND EVALUATION**

In addition to the possible internal monitoring and evaluation activities carried by the implementing organisations themselves and described in the project proposal, the Commission may organise external monitoring, evaluation missions or audit to the projects co-funded by the Programme.

### **IV.4.A. Audit**

Annually, the Commission services decide to carry out audits on grants selected by random sampling (or when an audit is considered necessary). The Commission's accounting department carries out these audits. As in the case of the monitoring missions, audits generally involve an on-site visit to the project.

Audits can take place any time within the five years following the end of the contract. Therefore, all expenditure supporting documents should be carefully kept during this period.

Essentially, audits aim to obtain sufficient evidence that the systems in place were adequate to ensure the regularity of expenditure and the accuracy and completeness of the financial and other information that led the Commission services to award the grant and make the subsequent payments. Furthermore, audits ensure that expenditure claimed is indeed eligible and in accordance with the financial plan. This testing usually involves documenting systems through interviews with relevant staff and reviews of documentation, together with tests of how the systems operate.

The main conclusions of the audit mission, the possible weaknesses identified and the recommendations to address them are contained in the audit report. Major errors or system



weaknesses are discussed with the contractor during the audit, both to alert of the need to take urgent action to correct matters and to allow discussion of the action needed.

Monitoring or auditing missions may reveal that an operation has not been carried out, or not in accordance with the grant agreement, and hence that some, at least, of the Community funds unduly paid to the beneficiary ought to be recovered. In this case, the Commission could request the total or partial reimbursement of the amounts already paid to the contractor.

#### **IV.4.B Evaluation**

The legal act adopting the programme Prevention of and Fight against Crime establishes that the Commission shall ensure regular, independent and external evaluation of the Programme.

The first evaluation to be conducted (the interim evaluation) is to be presented to the European Parliament and the Council no later than 31 March 2010.

The ex post evaluation shall be submitted no later than 31 March 2015.