

The Tempus Programme

Frequently Asked Questions

These questions relate to Tempus IV Projects selected in the First Call for Proposals for the 2008 Selection Round only
(Reference Number: EAC/04/2008)

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I. GENERAL

1. I have been a project contractor/coordinator for a project funded by the Tempus Programme for several years. Do contractual rules differ from one selection round to another?

The contract and its related documentation are updated for each selection round of Tempus. Please be sure to refer to the contract documents related to your specific selection round. The contract documents are therefore only applicable to the contracts to which they refer. There can indeed be important and significant differences in the contractual rules for different selection rounds. In particular, there are significant differences between contracts for Tempus III projects and the new Tempus IV contracts (from 2008 onwards). It is therefore strongly advised for you and your partners to read all contractual documentation carefully **before** starting to implement the project and to refer to it when necessary thereafter. Do not assume that the rules on any particular issue have stayed the same. Best to check first.

2. Am I obliged to publicise my Tempus project?

Yes, from now on you must clearly acknowledge the contribution of the Tempus Programme at all stages during the life-cycle of your project. Article II.5.1 of the Grant Agreement stipulates that "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".

This publicity must follow the rules applicable to the visibility of EC education and culture programmes, as defined and published on the following websites:

http://eacea.ec.europa.eu/tempus/index_en.php

http://eacea.ec.europa.eu/tempus/beneficiaries/beneficiaries_tempus4_2008_en.php

Tempus visibility rules are easy to follow and the Coordinators of the National Tempus Offices can give you useful tips and advice on how to enhance your project's visibility.

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

Planned activities can be changed during the implementation of the project. However, please note that the budgetary implications of these changes will also need to be taken into account.

As a rule, requests for modifications should be **duly justified** in relation to the project objectives. In other words, an explanation is required as to how the requested changes will help ensure the effective achievement of the project objectives. Requests for modifications should be **detailed**; i.e. information should be provided on the nature and type of activities and the overall added value, on the exact amounts and on the original and the budget headings to which they have been transferred.

Such changes should be introduced either through a prior written request or in an interim report. Once the Education, Audiovisual and Culture Executive Agency has approved the prior written request or the report, such authorisation or the report shall be contractually binding. No oral agreement may bind the parties to this effect.

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

4. Which situations will be considered to present a conflict of interests and when do I have to inform the Education, Audiovisual and Culture Executive Agency about this?

Any conflict of interest arising as a result of economic interest, political or national affinity, family or emotional ties or any shared interest of any beneficiaries is to be avoided. All beneficiaries are obliged to inform the Education, Audiovisual and Culture Executive Agency in writing and without delay about any situation causing any potential conflict of interest during the performance of the project

II. ELIGIBILITY

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

No. Don't assume that all activities in your project application are automatically eligible. The Call for Proposals and the project application are not contractually binding. Therefore, before implementing any activity, please check first that the activities indicated in your project proposal are eligible under the Grant Agreement. Please refer in particular to Article II.14.4 of the Grant Agreement for the list of ineligible costs, but also to the other articles of the Grant Agreement and Annex IV.

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

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

- Formal commitments of expenditure (contract, order, etc.) **must** be made **before** the end of the eligibility period (A.5 of the Grant Agreement);
- Invoicing of the related expenditure **may** be made **up to** two weeks after the end of the eligibility period;
- Disbursement/payment of the related expenditure **may** be made **up to** four weeks after the end of the eligibility period.

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

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

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

However, extensions may be granted, even if the project activities have been suspended (Article II.7 of the Grant Agreement).

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

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

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

8. Can I claim exchange rate losses?

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

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

No. Please refer to Art. I.6.2 of the Grant Agreement.

10. When must I declare bank interest?

Bank interest must be declared in the financial statement / payment request for the second pre-financing if it amounts to a significant sum. In any case, it must be declared in the Final Report (see Article II.16.4 of the Grant Agreement) and stipulate all interest received during the entire project.

11. Which costs are considered ineligible?

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

- Return on capital;
- Debt and debt service charges;
- Provisions for losses or potential future liabilities;
- Interest owed;
- Doubtful debts;
- Exchange rate losses;
- VAT, unless the beneficiary can show that he is unable to recover it;
- Costs declared by a beneficiary and covered by another Action or work programme receiving a Community grant;
- Excessive or reckless expenditure.

In accordance with Article I.10.7, further ineligible costs are:

- Equipment such as: furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft systems;
- Hospitality costs;
- Costs related to the use of materials (computer, laboratory, library, etc.) incurred by universities, institutions, industries or companies when hosting staff;
- Registration fees for courses, seminars, symposia, conferences, congresses;

- Costs of premises (purchase, rent, heating, maintenance, repairs, etc.). Renting of premises is only possible for specific dissemination events with prior written approval from the Education, Audiovisual and Culture Executive Agency;
- Costs linked to the purchase of real estate;
- Costs of travel to or from countries not taking part in the project, unless specifically authorised by the Education, Audiovisual and Culture Executive Agency.

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

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

Please note that the original application (project proposal) has no contractual value and thus, there may be some activities, equipment, mobility or other items foreseen in the application that are not automatically eligible. Before implementing activities or purchasing equipment you should always check in your Grant Agreement whether the items are eligible.

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

- The required supporting documents are missing in the Final Report;
- The required supporting documents are illegible or not duly filled in (e.g. a signature or a stamp is missing, discrepancies between the report and the supporting documents, the dates reported are incorrect, etc.);
- Activities have been implemented or items have been purchased outside the eligibility period;
- The contractual rules have not been respected, e.g.:
 - monies have been disbursed for institutions or experts who are not involved in the partnership and without prior written authorisation
 - budgetary ceilings have not been respected
 - VAT has been included in the invoice and charged to the project expenditure
 - the tendering procedure (minimum 3 offers) has not been applied for the purchase of goods or services over EUR 25,000

III. THE CONSORTIUM

13. Which of the consortium members is responsible for the overall management of the project in terms of accounting and financial responsibility?

Under Article I.I.2, the beneficiary indicated under A.2, accepts the grant and takes responsibility for implementing everything in the project as described in the Grant Agreement. The beneficiary is therefore solely responsible for meeting all the legal obligations incumbent upon him and assumes full responsibility for ensuring the full implementation of the project and adhering to the provisions of the Agreement.

Any demand or request for documentation/information concerning the implementation of the project by the Education, Audiovisual and Culture Executive Agency shall therefore be sent to the beneficiary, who must respond to it.

14. Can new partner institutions join the consortium?

Yes, indeed, during the eligibility period, the consortium can be enlarged. The proposal for enlargement of the consortium should be submitted (a new partner is eligible for funding only after approval by the Education, Audiovisual and Culture Executive Agency). In addition, and for obvious reasons, a new consortium member should be included before the final project year.

The proposal should contain a detailed justification of the reasons why the new partner should join. If applicable, this explanation should include a revised plan of activities and finances. Any impact on the achievement of the objective(s) should be explained in detail.

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

Since the enlargement of the project consortium implies a modification to Annex I of the Grant Agreement (Description of the Action – Section II, List of partners), the formal requirements should be strictly observed:

- An endorsement letter of the new partner institution must be submitted, duly dated, with the stamp and signed by a person authorised to represent this institution (for example, at a university: the rector, Vice-Rector or faculty Dean; in a business organisation: the Managing Director) confirming their role in the project.
- Letters from all the current project partners, confirming their agreement to the inclusion of the new institution in the project consortium must be provided and signed by the contact persons at the institutions (Art. 1. of Annex IV – Guidelines for the Use of the Grant).

All above mentioned documents should be forwarded by the beneficiary with the request to the Education, Audiovisual and Culture Executive Agency.

15. What do I need to do when a partner institution withdraws?

The following procedure **must** be followed:

1. The withdrawing institution should send an official letter confirming their withdrawal from the project;
2. The beneficiary should also confirm the withdrawal in writing;
3. A detailed description should be provided indicating the consequences on the project's objective(s), outcomes and activities.

The beneficiary must send the Education, Audiovisual and Culture Executive Agency all the above-mentioned documents as attachments to the withdrawal request (Art. 1 of Annex IV).

Please take into account that the eligibility criteria of the partnership indicated in the Call for Proposals concerning your selection (Tempus IV, first Call), must always be respected. Consortia no longer fulfilling this minimum requirement will automatically become ineligible and the project could be stopped.

16. Can the beneficiary of the project be changed?

Yes, but only under the most exceptional circumstances. Changing the beneficiary is a drastic measure.

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

The formalities for the change of beneficiary involve amending the Grant Agreement. This amendment must be signed by the three parties involved, i.e. the previous beneficiary, the new beneficiary and the Education, Audiovisual and Culture Executive Agency.

17. Can the contact person of the beneficiary be changed?

Yes, the contact person can be changed. Any change requires a written confirmation signed by the new contact person, the former contact person and the legal representative of the beneficiary (Article 1. Annex IV - Guidelines for Use of the Grant).

18. Are non-consortium members eligible for a Tempus grant?

As a general rule, only the institutions listed in Annex I, Section II of the Grant Agreement – are eligible for grants.

Exceptions to this rule are only possible in the case of subcontracting (please refer to Art. I.10.8 and II.9 of the Grant Agreement).

19. Can the maximum grant amount mentioned under paragraph A.3 of the Grant Agreement be increased when the consortium adds additional partners or plans additional activities?

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

However, it may be reduced. The Education, Audiovisual and Culture Executive Agency may reduce the amount of the grant in the following cases:

- Where the costs planned by the consortium are below the amount specified under A.3 of the Grant Agreement;
- Where 5% of the total Tempus grant has not been co-financed, since the grant can cover no more than 95% of the total eligible costs of the project;
- Where a profit has been made, since the Tempus grant cannot exceed the amount necessary to balance the project's income and expenditure;
- Following assessment of the reports;
- Following the results of audits.

20. What does a 'contribution in kind' mean?

'Contributions in kind' can be defined as any inputs into the project that are not paid for. For example, use of existing staff or facilities (staff, equipment, teaching material, etc.), owned copyrights, unremunerated working hours and/or voluntary work.

'Contributions in kind' shall not be considered as 'eligible costs' (see article II.14.5). However, the Education, Audiovisual and Culture Executive Agency can accept, in exceptional cases that, 'contributions in kind', unpaid in entirety or in part, can be considered justified as co financing of the action. You will be asked to demonstrate that these costs were actually incurred and duly support these costs with the accounting documents of the third parties who made these contributions free of charge or the costs generally accepted on the market in question for the type of contribution concerned when no costs are borne. Contributions involving buildings (infrastructure and use of facilities) are never considered eligible as 'contributions in kind'.

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

As laid down in Article I.3.3., the maximum Community contribution may not exceed 95% of the estimated eligible direct costs (paragraph A.3). The remaining costs, equivalent to at least 5% of the total estimated eligible direct costs, identified in the provisional budget of the project under Annex II. A - Co-financing, must be financed from sources *other* than the European Community and proof of expenditure must be retained with the project finances in all cases. This is what is meant by 'co-financing'. Co-financed items follow the same rules and financial principles as other items of expenditure paid for by the Tempus grant.

22. If at the end of the project, the consortium cannot co-finance 5% of the total eligible costs of the project, can a higher Community contribution be applied for?

No. The maximum Community contribution may not exceed 95% of the total eligible direct costs at the end of the project. Since the total eligible direct costs include the co-financing, any decrease in co-financing will result in a decrease of the Community contribution (see Art. II.17.3 of the Grant Agreement).

23. Must all members of the consortium contribute to 'co-financing'?

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

24. Can the consortium co-finance under any budget heading?

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

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

25. Does the consortium have to co-finance 5% of every budget heading?

No. The consortium can choose to co-finance any budget heading other than Indirect Costs, so long as the total co-financing amounts to at least 5% of the total eligible direct costs of the project.

26. Can the consortium cover possible ineligible costs using the amount it provides through co-financing?

No. Costs that are ineligible for Community funding are also ineligible for co-financing. To be considered valid for co-financing, any declared expenditure supported by the participating institutions, must satisfy the criteria laid out in Article II.14.

27. Must /can an external expert contribute to co-financing?

External experts can contribute to co-financing but it is not a requirement. The reasoning is the same as for the other consortium members.

In order for this co-financing to be considered eligible the Guidelines for the use of the grant should be applied (Art. 3 of Annex IV). Individuals, companies and institutions from any European Member State or from a Partner Country can also contribute to co-financing. In all cases, the relevant supporting documentation must be included in the project accounts and provided in the situations mentioned in Annex IV.

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

Equipment costs may not exceed 30% of the **eligible direct costs** indicated in Annex II of the Grant Agreement "Estimated budget of the Action". Any co-financing under this heading is also subject to this ceiling.

Total indirect costs may not exceed 7% of total eligible direct costs. Unlike for equipment costs, the 7% flat rate for indirect costs will be recalculated on completion of the project, i.e. once the final financial report has been evaluated and the total direct costs considered truly eligible have been calculated. No co-financing is authorised under this heading.

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

Under Article I.3.4, projects may increase the amount of each budget heading set out in Annex II of the Grant Agreement by a maximum of 10% by transferring money without prior authorisation, even if the increased amount means that you are exceeding the ceilings laid out in the Guidelines for the use of the grant for Equipment Costs. **Although no prior authorisation by the Education, Audiovisual and Culture Executive Agency is required for transfers of up to 10%, you must inform the Agency in writing of all transfers made.**

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

This percentage of 10% will be calculated using the amount you have spent under each budget heading, including co-financing, in relation to the original amount budgeted under each of those headings.

Please bear in mind however, that whilst there is a certain flexibility for increasing amounts under budget headings, significant decreases to a given budget heading need also to be justified, given the fact that they could also detract from achieving the project's overall objectives. They should be justifiable with regard to the objectives and overall funding of the project.

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

It is not possible to carry out a budget modification to increase the total of indirect costs budgeted under the 'indirect costs' budget heading during the project life-cycle. This is because to do so would mean either increasing the over-all grant amount or reducing the amount spent on activities (direct costs). In principle, during the project implementation only budget modifications to the direct cost budget headings can be authorised since these do not have a financial impact on the operational budget.

However, at the end of the project a financial assessment of the final report will be carried out and at this stage we would be able to accept an increase of up to 10% on the figure shown for indirect costs in Annex II of the Grant Agreement, provided that the following three conditions are met:

- the amount declared corresponds to the actual indirect costs incurred;
- the maximum grant amount (point A.3 of the Grant Agreement) is not exceeded;

- the amount does not exceed 7% of the total eligible direct costs (as recalculated during the financial assessment)

31. Under which budget heading can costs related to the development of on-line initiatives be budgeted for?

This depends on the type of activity and the objectives of the project, in electronic format, as well as designing and establishing the website must be covered by 'Printing and Publishing'. Course development must be covered by 'Staff costs' and, once courses are on-line, system support and maintenance must also be covered by 'Staff Costs'.

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

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

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

IV. PAYMENTS AND BANK TRANSFERS

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

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

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

Article I.4 of the Grant Agreement defines the general timing for the payments of the different instalments of the grant.

The first pre-financing instalment (paragraph A.3.1 of the Grant Agreement), representing 60% of the maximum grant amount, will be paid within 45 days of both parties signing the Grant Agreement or if required under paragraph A.6, upon receipt of a financial guarantee provided by the beneficiary, for the same value as the amount of pre-financing granted.

The second pre-financing instalment, representing 30% of the maximum grant amount (A.3 of the Grant Agreement), may not be paid until at least 70% of the first pre-financing instalment has been spent.

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

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

Further pre-financing instalments can be claimed by the beneficiary, using a Request for Payment form (in Annex III of the Grant Agreement). It must be accompanied by a detailed statement of the eligible costs actually incurred following the same format as the provisional budget and, if required under paragraph A.6 of the Grant Agreement, a financial guarantee. No supporting documents are required at this stage. This further pre-financing shall be paid within 45 days after receipt by the Education, Audiovisual and Culture Executive Agency of the above mentioned documents.

The payment of the balance can be claimed by the beneficiary using the Request for Payment of the Balance form (in Annex III of the Grant Agreement), which must be accompanied by the final technical and implementation report, composed of: a final report on the implementation of the project, a summary report for publication, a financial statement of the eligible costs actually incurred following the same format as the provisional budget and a full summary statement of the project's income and expenditure.

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

Before approving the final report, the Education, Audiovisual and Culture Executive Agency may also request the beneficiary to provide additional supporting documents, which do not have to accompany the final report, but should be kept in case required for future reference. In that case, the beneficiary shall have 30 days to submit the additional information. A final report that is well prepared by the beneficiary usually results in a smooth assessment and subsequent payment by the Education, Audiovisual and Culture Executive Agency. In this context, 'well prepared' means a complete report with all sections duly completed, which provides qualitative and quantitative indicators, as well as all necessary supporting documents and additional information required.

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

The payment of the balance, representing up to 10% of the maximum grant amount (A.3 of the Grant Agreement), will only be paid after the approval of the final technical implementation report and approval of the request for payment of the balance, accompanied by the documents specified in Article II.15.4.

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

In this respect, the following suggestions can be made:

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

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

However, please note that in accordance with Article I.3.3 of the Grant Agreement, the Education, Audiovisual and Culture Executive Agency will not cover more than 95% of the eligible costs submitted, following the assessment of the final technical implementation report.

37. Can the members of the consortium pay for activities directly themselves or must everything be paid by the beneficiary?

Yes. The beneficiary can delegate and transfer funds to the consortium members enabling them to pay directly for an activity. These institutions should ensure that the beneficiary is provided with original documentation for all items of expenditure. If this is not possible, certified copies should be provided to the beneficiary and the original kept at the institution which carried out the transaction. The beneficiary nevertheless remains responsible for the overall administration of the grant.

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

Payment should not be made in cash for security and traceability reasons. The university in the partner country should open a project bank account and financial transactions should be carried out through that account. The only exception is for the reimbursement of travel costs on the project. These can be paid directly to the person travelling. You can also transfer funds to other bank accounts to pay service providers (for the purchase of equipment, for instance). Staff costs can only be paid directly to the bank account of a member of staff if this person and his employer have signed a Staff Convention and you have official confirmation that the employer or the service-provider (for experts) is paying income tax for that person.

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

Yes. However, any change of project bank account should be notified in writing to the Education, Audiovisual and Culture Executive Agency using the Financial Identification form (Annex V), signed by the legal representative, authorised to act on behalf of the beneficiary and by the bank.

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

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

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

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

1. The grant may cover no more than 95% of total actual eligible costs of the project following the financial assessment. The remaining costs, equivalent to at least 5% of the total eligible costs must be co-financed (Articles II.17.3 and I.3.3). Ceiling A
2. The grant may not exceed the amount necessary to balance the project's income and expenditure (total declared expenditure minus the amount co-financed by the consortium members) and the beneficiary may not, in any circumstance, make a profit from it (Article II.17.4). Ceiling B
3. The grant may not exceed the maximum amount of the Tempus grant authorised in the Grant Agreement (A.3 of the Grant Agreement) (Article II.17.2). Ceiling C

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

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

1. Payment of the balance (compensation): this amount represents the final grant amount, minus 90% of the maximum grant amount already paid, minus the interest yielded by the pre-financing.
2. Payment of the balance (in a situation where the total amount eligible is actually higher than the maximum grant): the total amount paid to the beneficiary may not exceed the maximum amount of the grant (A.3). The amount paid represents 10%, as the amount (100% of the total grant) is equal to the total of the eligible expenses minus the interest yielded by pre-financing.
3. Reimbursement by the beneficiary to the Agency. This amount represents 90% of the total grant already paid minus the final grant plus the interests yielded by pre-financing.
4. Reimbursement less than EUR 200: this amount represents 90% of the total grant already paid, minus the final grant, plus the interest yielded by pre-financing. However, given that the foreseeable cost of recovery would exceed the amount to be recovered, the Education, Audiovisual and Culture Executive Agency will not request any reimbursement.
5. No recovery/no compensation: 90% of the total grant already paid is equal to the total of the eligible expenses. Therefore, the amount representing 10% of the total grant will not be paid. However, according to article II.16.4, the amount corresponding to the interest yielded by pre-financing has to be reimbursed (only if higher than EUR 200).

IV. REPORTING

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

A total of two reports should be submitted; one during the project and one after the project.

Intermediate Report:

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

Final Report:

- Final Report on the implementation of the project (overview of the results and achievements and table of achieved outcomes);
- Summary report for publication;
- Financial report (financial statements) and all required supporting documentation;
- Statement of the costs actually incurred and Request for the Payment of the balance.

Do not forget that the second pre-financing instalment can be claimed at the same time as you submit the interim report. The request for the second pre-financing instalment consists of:

- A statement of the costs incurred;
- A Request for Payment.

43. When and how do I have to submit the Intermediate and Final Reports?

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

- The **Intermediate Report** shall be submitted when 70% of the 1st pre-financing has been disbursed but no later than:
 - ✓ **15 January, 2010** for 2 year projects
 - ✓ **15 July, 2010** for 3 year projects
- The Final Report shall be submitted two months after the end of the eligibility period:
 - ✓ 15 March, 2011 for 2 year projects
 - ✓ 15 March, 2012 for 3 year projects

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

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

One original and two copies of the report must be sent by the deadline **by registered mail** (date as per postmark) to:

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

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

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

44. Do I have to submit the Intermediate Report or the Final Report even if I have not spent 70% of the pre-financing by the deadlines given for the submission of these reports?

Yes. Timely submission of all reports is required, even if 70% of the first pre-financing instalment has not been spent.

It is on the basis of the information and supporting documentation provided in the Final report that your project expenditure will be verified.

VII. PURCHASING GOODS & SUB-CONTRACTING

45. When do I have to apply the procedure described in article II.9 of the Grant Agreement (Awarding of Contract)?

Beneficiaries are requested to apply the procedure described in Article II.9 (Awarding of Contract) when purchasing any kind of goods or services in the framework of the Tempus project. The principles of this procedure are to ensure appropriate use of EU funds, and to ensure that projects are obtaining goods or services at the best quality/price ratio.

Under Article I.10.8, beneficiaries shall be obliged to use a competitive tendering process (minimum 3 offers) if the amount to be contracted out exceeds the threshold of EUR 25,000. The beneficiary should thus be able to

prove that market research has been carried out and that the bid meeting the technical requirements and offering the best value for money has been chosen. Competitive offers (minimum 3) must be retained with the project accounts. Beneficiaries may not split the purchase of equipment or of services into smaller contracts below the threshold set. For goods and services for which the total value of the invoice does not exceed the amount of EUR 25,000, the goods required can be purchased directly from the supplier, without launching an official tendering process.

This procedure also applies when subcontracting external experts for administrative and academic tasks or individuals, companies or institutions from any EU Member State or from a Partner Country.

Please remember that the contracts referred to in Article II.9 may be awarded only in the cases mentioned under this article.

46. What supporting documentation do I have to submit if I am sub-contracting an individual, a company or institution that isn't a partner of the consortium?

The following supporting documents must be issued with a subcontract: a subcontract or a staff convention (see Annex IV) and the invoice for services rendered.

A valid subcontract is a document that describes in detail the nature, timing, number of hours for the service provided, the financial agreement, the company/organisation details of the contracting and subcontracting parties, and includes a date and the signature of both parties. Clear reference to the project number should always be made.

In the case of subcontracting of self-employed experts who are unable to provide a stamp, the stamp on the convention form should be provided by the consortium member who subcontracts the self-employed service provider.

In any case, a legible copy of the invoice relating to the task performed should always be provided and kept with the project accounts. Please provide a copy with the Final Report if the amount exceeds EUR 25 000.

VIII. STAFF COSTS

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

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

Administrative staff costs may be charged for tasks related to the administration of a project, such as project management, bookkeeping, accountancy and secretariat.

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

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

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

If it is necessary to calculate the hourly rate for staff costs, the daily rate indicated in Annex IV/3 should be divided by 7.5.

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

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

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

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

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

51. Can a national from a non-EU or non-partner country who is working (staff member) at a consortium university benefit from 'staff costs'?

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

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

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

Exceptionally, the team member could be considered as a regular member of staff of the EU consortium partner institution (because he/she is on the payroll of the institution) and in that case the team member can be paid according to EU salary rates.

53. To which budget heading do I have to charge translation costs?

Translation costs are considered as staff costs and must be allocated to the '**Staff Costs**' budget heading, if members of the consortium provide a translation service.

In case of translation services provided by an external service provider, they should be classified in the '**Other Costs**' budget heading (see Article II.14.2 of the Grant Agreement and Article 8.1 of Annex IV).

54. To which budget heading do I have to charge language courses?

All costs related to language preparation courses for consortium members must be charged to the '**Staff Costs**' budget heading.

In case of language preparation activities provided by an external service provider, they should be classified in the '**Other Costs**' budget heading.

55. Can I invite and pay a non-consortium member to deliver a training session or to prepare teaching material?

Yes. By way of derogation from article II.9.1 of the Grant Agreement which deals with **subcontracting** and in accordance with the Guidelines for the use of the grant.

Certain project activities may indeed be subcontracted to other parties, which may be either individuals or organisations from any EU Member State or Partner Country.

Subcontracting is intended for specific tasks, which cannot be performed by the consortium members themselves such as:

- Academic tasks: course development, development and adaptation of teaching materials, teaching assignments, teaching of intensive courses or contributions in project workshops or conferences and so on.
- Administrative tasks: language preparation and translation. For the other administrative tasks (for example, the administration and co-ordination of project activities and planning of meetings), consortium members are expected to have the administrative resources and skills necessary to

administer the project themselves. For example, a subcontracted project manager or accountant would not be considered justified.

Institutions that have been excluded from participation in the project cannot be subcontracted.

For tasks requiring specific skills, which cannot be performed by members of the consortium and which involve staff mobility, the beneficiary must request prior authorisation to include the expert concerned in the project (as indicated in Annex I of the Grant Agreement) or have the necessary authorisation for subcontracting. This request should indicate the task to be performed and the reason why it must be performed by an external expert and be accompanied by his or her CV.

Subcontracting must be done on the basis of a contract, which should reflect all the conditions of the Grant Agreement and should describe the specific task being carried out. This means in practice that the subcontract should respect the rules on expenditure, activities and administrative procedures defined in the Grant Agreement.

Mobility undertaken by an expert should be charged under 'Travel Costs, Costs of Stay and Institutional Costs' and the task itself under 'Staff Costs'.

IX. TRAVEL COSTS AND COSTS OF STAY

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

Staff mobility between two EU Member States represented in the project is possible only for short visits for coordination purposes. Such mobility is also authorised, if duly justified, for academic activities that contribute directly to achieving the goals of the project.

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

57. Where can I organise the consortium coordination meetings?

The coordination meetings can take place in any city of a Partner Country represented in the project consortium and in any city in the EU, represented in the consortium, while ensuring a cost-effective use of funds.

Please note that the country where an expert in Annex I is based, cannot be considered as a country represented in the project consortium.

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

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

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

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

The aim of the Tempus Programme is to finance activities performed by people permanently working in the European Union and Partner Countries, thus providing continued benefits for these countries after the end of the project. No travel costs will be covered if the place of departure is located in a different country to the one where they are working and residing.

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

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

61. What do I do if I go on mobility using my own car?

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

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

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

For Partner Countries, where no extended railway system currently exists, it is possible to apply a fixed rate, capped at EUR 0.22 per kilometre, covering the distance in kilometres for local transport.

This fixed rate can be provided in a declaration from the local Ministry of Education (or Finance) clearly indicating the rate. This declaration must also be kept with the project accounts.

In addition, the National Tempus Offices may be able to help, obtain information on the rate.

Please bear in mind that the costs given for travel on the project will periodically be checked for verification to ensure that the most cost-effective means are used.

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

Please note that the renting of a coach is only possible for travel between different partner institutions. Group travel, during visits in and around a mobility destination should be covered by accommodation costs (per diems) and therefore no supporting documentation is required.

The cost of renting a coach or minibus should be divided by the number of travellers. This number should justify the need to use a coach or minibus.

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

63. Can student 'institutional costs'(see Annex IV) be considered as co-financing?

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

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

The hosting university can claim the following maximum amounts:

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

Contributions to institutional costs higher than the above-mentioned amounts will not be considered eligible. Institutional costs cannot be used to cover tuition fees. 'Institutional costs' refer exclusively to the hosting of students: costs incurred through hosting staff from abroad cannot be co-financed.

X. EQUIPMENT

64. What type of equipment is considered eligible?

Only the purchase of equipment directly related to the objectives of the project can be considered as eligible expenditure (e.g. books and periodicals, fax machines, photocopying machines, computers, software, machines and equipment for teaching purposes, video-projectors and video-projection equipment, television sets, installation of communication lines for internet connection, access to databases, consumables needed to ensure the smooth functioning of the equipment, equipment maintenance, insurance, transport and installation costs).

Costs of furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft systems are not eligible (see Article I.10.3 of the Grant Agreement).

65. Can the Beneficiary or any other EU institution receive equipment paid for by the Tempus grant?

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

The equipment is only intended for the Partner Country higher education institutions involved in the Tempus projects.

For Joint Projects, the equipment is exclusively for the universities of the Partner Countries, where it should be set up. Each piece of equipment should also be recorded in the inventory of the university in which it is installed. The university shall be the sole owner of such equipment.

For Structural Measures, the equipment may be purchased for Partner Country universities or any other institution or organisation of the countries involved in the partnership.

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

The total amount spent on equipment whether co-financed or funded by the project cannot exceed 30%. However, for each project the specific budget for equipment costs is laid out in Annex II of the Grant Agreement. Projects may increase, by means of a transfer, this amount by a maximum of 10% without prior authorisation, even if the increased amount takes you above the 30% ceiling (see FAQ 29).

Requests to increase the equipment budget heading by more than 10% and as a consequence, exceeding the 30% ceiling, will not be accepted.

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

No. Equipment purchased with the Tempus grant does not necessarily need to be made in the EU or Partner Country.

The equipment does not need to be bought in the EU. It can also be purchased in the Partner Country (which has the advantage of avoiding lengthy customs procedures).

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

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

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

Yes, on condition that the laptop/notebook is registered in the inventory of the partner institution and that all safety measures are taken when using it outside the university premises.

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

Yes, as long as the following conditions are met:

- The equipment purchased is necessary for the project's implementation and its necessity can be clearly justified if requested.
- The budgetary ceilings are respected

- The equipment is eligible according to the Grant Agreement and the Guidelines for the Use of the Grant.

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

No (see Article I.10.7 of the Grant Agreement). Despite the fact that the above-mentioned items are necessary for the provision of educational services, they are considered as overall university infrastructure and the cost must therefore be borne by the university itself.

The Grant Agreement provides an indicative list of the most commonly purchased eligible equipment (see Article 5.1 of Annex IV).

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

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

IX. OTHER COSTS

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

No. Costs that are considered ineligible under the other budget headings **cannot** be included here. This budget heading can be used for costs related to the dissemination of information, inter-project coaching, external translations, external language courses, visa costs and bank charges linked to the transfer of money for payment or between institutions (but not when funds need to be reimbursed to the Education, Audiovisual and Culture Executive Agency). Bank guarantee charges when requested by the Education, Audiovisual and Culture Executive Agency may be covered under 'Other Costs'. Costs for the organisation of 'dissemination events' (e.g. renting of premises - with prior authorisation - or an advertisement in a newspaper) can be charged to this budget heading. However, staff costs, printing and publishing and mobility costs relating to dissemination events, should be charged under the respective budget headings.

74. What is 'inter-project coaching'?

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

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

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

XII. TAXES

75. Is equipment or services purchased for a Tempus project exempt from VAT?

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

Each project should receive a document at the beginning of the project, stating that the acquisition, delivery and installation of equipment and the provision of services in the Partner Country is exempt from taxes, duties and charges. This document should normally be sufficient to obtain a tax exemption. However, practice shows that a tax exemption can be difficult to obtain in certain Partner Countries, even if the European Commission has signed agreements with the governments of those Partner Countries. Where such difficulties are encountered, it is suggested that partners should ask for the help and advice of the NTO in the partner country

concerned. The EU Delegations in the Partner Countries (where those exist) may also be contacted when problems arise.

Please note that, where tax exemption cannot be obtained, the tax amount concerned **must** be funded by other sources, and not by the project, and is not eligible for co-financing.

Taxes on services, printing and publishing are in principle not accepted either. Tempus participants should try their utmost to avoid incurring ineligible taxation of this sort but, if this is not possible, payment of these taxes with Tempus funds might exceptionally be considered. This will be decided on a case-by-case basis by the Education, Audiovisual and Culture Executive Agency.

The purchase of equipment and provision of services **in the EU Member States** must comply with the respective Member State's legislation ruling the implementation of contracts with the European Commission.

76. Does the VAT exemption apply to the purchase of equipment or the provision of services using co-financed funds?

No, the tax exemption is provided because the equipment or the services are purchased with EU funds, which is not the case for equipment purchased using co-financed funds.

77. Are VAT payments eligible for co-financing?

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

XIII. EXCHANGE RATES

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

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

Practically this means that:

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

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

79. Which exchange rate do I have to apply if the project bank account is only in EUR and the university pre-finances certain bills which are in the (non-EUR) national currency - the exchange rate of the month when the university pre-finances or the exchange rate of the month when I reimburse the university?

The same principle should be applied as for question 78.