# Follow-up seminar for DEAR projects

## Module 2: “contractual obligations…find your way”

1. **Answered questions with regard to contractual obligations questions**
2. The financial controls are being increasingly used for the purpose of political control or intimidations (e.g. Hungary). Does the Commission assume that the grantee has to provide access to all the project documents to the national financial authorities at all times for the 7 years and if yes do you foresee any exceptions to this rule?

* EC task manager reaction: laws of your country to be followed (EU will not interfere) => so the answer is: “stay legal”

1. How to include a new activity? (and how to inform EC task manager)

* Get a feedback and an approval of your EC task manager

Question without answer: what to do if the EC task manager doesn’t answer?

1. What is the last date for adjustments of indicators in the logframe?

* General conditions, art. 9: if the logframe is not part of the contract and if there is no change of purpose, you can adjust the logframe and you should indicate in the report the reason for the change.

1. Question related to plane tickets: a teacher should fly for the project but was afraid because of Ebola in a next country. The ticket had to be cancelled: could we request to the EC reimbursement of this cost?

* No: if not covered by the insurance, the cost is lost.

1. Does the 70% apply to the contribution of the EU or the total expenses?

* A participant answered: we lived the situation; we found the answer in the general conditions but the text is not clear – it was difficult to find the answer.

The answer is: first year x EU co-finance rate >= 70% of the first EU payment.

1. Is there a deadline to submit the report for 2015?

* Annex II, Art. 2.3 General conditions: there is no deadline but you must submit an interim report in order to request the next payment.

1. Which expenses linked to the closure of a project could be eligible after the end of the contract?

* Some participants: the costs linked to the closure (for e.g.: audit, final evaluation, organisation of a closure workshop) could be eligible and a % of salary as well (if justified i.e. reasonable, in accordance to the activities).
* Others: according to the PRAG, the costs could be reimbursed after the end of the contract if requested before the sending of the final reports.
* Another answer from a task manager: no, all the costs have to be requested before the end of the contract or you have to ask for a contract’s extension.
* Other group answered: as per Art. 41, General conditions, there is a difference between the end of the activities and the end of the contract.
* Another task manager answered: to be discussed, it depends from one project to another. It is possible but needs to be reasonable.

1. In our invoice, for which period (month) should the exchange rate be calculated?

* The answer is in the PRAG, art. 15.8: we have to use the exchange rate as per the time of the reporting period to the EC; but the implementing partners use the exchange rate as per the time of the implementation of the activity. So we have the answer but it is difficult to apply. There is a difference and this is a lot of work to calculate the difference for all the activities.

1. **Questions without answer:**
2. VAT eligibility: a Greek partner is not able to recover VAT but there is no such document to prove it, not even a refused claim for reimbursement. What do we do? The Greek partner is losing money.
3. Is it possible to have the same person working as staff (budget line 1) and as expert (budget line 5) for the same project but at a different period (i.e. there is no overlap)?
4. What to do when the task manager does not respond to your questions? (even by phone difficult, and then we need a written answer) - we understand that the task managers are very busy but how to deal with our questions?
5. We need response from the task manager on financial request!
6. When will the EU adapt procedures and tools to local authorities?
7. There has been considerable interest, nationally, among teachers for our project outputs (book for young children). We plan (as per project proposal) to distribute the resource for free to our target group but we envisage an opportunity to create revenue for selling the item outside the target group and that the revenue will be re-invested into project activity as co-financing. We did not foresee this opportunity; do we need to inform the EC & ask for an addendum? How do we make this change?
8. What are the conditions of equipment’s transfer?
9. Has the auditor to check the “book keeping” of all partners or only of the applicants?
10. How to report potential incomes (any kind of donations, entrance fees, sale of material) generated by the action?
11. Does the rule of origin apply to contracts/procurements below 5000 EUR?
12. How to indicate clearly the exchange rate used for each currency following the template? (1 month rate? Whole period rate? Fixed rates?)
13. What do we do in case of budget changes due to a change of activities? For e.g. you cannot increase the budget lines more than 15% of the subheading (bigger changes need an addendum).