



## EEA Scholarship Programme Slovakia

### GUIDE FOR THE PROJECT PROMOTER AND THE PROJECT PARTNER

for

**Inter-institutional cooperation projects between higher education institutions**  
**Inter-institutional cooperation projects in upper-secondary education/training**  
**Mobility projects between higher education institutions**

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SAIA, n. o.  
Programme Operator

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# 1 BASIC TERMS AND ABBREVIATIONS

## 1.1 Definition of basic terms

**Administrative verification** – verification of the eligibility of expenditure, correctness and completeness of reports, conducted based on the documents submitted by the Project Promoter.

**Total eligible expenditure of the project** – the total amount of expenditure specified in a project contract eligible for project financing. In case real eligible expenditures are incurred and exceed the sum of total eligible expenditures, the difference shall be paid by the Project Promoter from its own additional funds.

**Certifying Authority** – is a national public entity functionally independent from audit authority and the program administrator, appointed by the Project Promoter State for certification of financial information. In the Slovak Republic, the Certifying Authority is the Ministry of Finance of the Slovak Republic.

**Programme objectives** – represent long-term effects contributing to mitigation of economic and social differences in European Economic Area and to strengthening bilateral relations between donor states and beneficiary states.

**Date of expenditure** – the last day of the financial implementation of expenditure where the material implementation of expenditure precedes the financial implementation of expenditure, or the last day of the material implementation of expenditure where the financial implementation of expenditure precedes the material implementation of expenditure.

**Declared expenditure** – expenditures incurred by the Project Promoter in the previous reporting period that are declared and claimed in a List of Accounting Documents.

**Delivery date** – the working day on which documents being subject to a time limit were submitted to the Programme Operator. The delivery day is the same as the registration day at program manager's secretariat. Correspondence by email is considered delivered by the day it was sent only before 4PM. An email sent on working day after 4PM is considered delivered the following working day, unless different rule applies (e.g. in application, project contract, correspondence). The beginning date of a time limit that is specified with reference to calendar days will be the day following the delivery date, and the beginning date of a time limit that is specified with reference to working days will be the first working day following the delivery date.

**Own additional funds** – Project Promoter's own funds spent in excess of project co-financing; these funds represent financial resources used by the Project Promoter or Partner to cover the expenditures which they subsequently claim from the project grant through the system of reimbursements, or ineligible expenditures which the Project Promoter is required to prove if they were included in a Project budget, have been incurred as a result of a financial correction, or if any of the bodies involved in the management and control system of the EEA FM so requests.

**Evaluation** – a systematic, objective and independent assessment of the design, implementation and/or **project outcomes** with the aim of determining the relevance, effectiveness, efficiency, economy, impacts and sustainability of the financial contribution.

**Financial implementation of expenditure** – a bank transfer of funds to the supplier/contractor/employee for the delivery of goods, services and work or a payment in cash.

**Public procurement verification by the Programme Operator** – verification of the public procurement by the Programme Operator according to the Regulation, aiming to obtain assurance of correct implementation of the Financial Mechanism.

**Monitoring** – the objective observation of Project implementation with the aim of comparing the progress made in Project implementation against the expected programme objectives and programme outputs and/or project outputs in order to identify potential problems in a timely manner so as to allow for corrective action.

**Monitoring report** – a report based on the monitoring of actual project developed by Programme Operator.

**Regulation on the Implementation of the EEA Financial Mechanism 2009 – 2014 (hereinafter “Regulation”)** – the key implementation rules adopted by the Financial Mechanism Committee to regulate the implementation of EEA FM.

**National Focal Point** – a national public entity having the overall responsibility for the management and implementation of EEA FM in the Beneficiary State. The entity carrying out the responsibilities of the National Focal Point in the Slovak Republic is the Government Office of the Slovak Republic.

**Deficiency** – an identified failure that can and should be removed without the failure has been identified as an irregularity.

**Irregularity**– any infringement of the legal framework of EEA FM, any breach of a provision of EU law or laws of the Slovak Republic that affects or prejudices at any stage the implementation of EEA FM, in particular, but not limited to, the implementation and/or the budget of any programme, project or any other activities financed by EEA FM, for instance by unjustified or disproportionate expenditure, or by reducing or losing revenue under the programme and/or the project.

**Condition precedent** – a condition imposed by the Programme Operator that must be satisfied as a prerequisite for a further action, such as disbursement of a payment, approval of PIR. All time limits will be suspended until the condition precedent has been satisfied.

**Eligible expenditure** – expenditure that satisfies the eligibility criteria lay down in this Guide.

**Audit Authority** – a national public entity, functionally independent of the National Focal Point, the Certifying Authority and the Programme Operator, designated by the Beneficiary State and responsible for verifying the effective functioning of the EEA FM management and control system. The responsibilities of the Certifying Authority in the Slovak Republic are carried out by the Ministry of Finance of the Slovak Republic.

**On-the-spot verification** – verification of the eligibility of expenditure and effective delivery of the goods or performance of the works or services declared in the accounting documents and supporting documentation, carried out at the Project Promoter’s/project partner’s place in accordance with the project contract.

**Notice of financial settlement** – a document consisting of a form and enclosures through which the Project Promoter certifies the repayment of funds to designated accounts at the appropriate proportions.

**Project partner** – an entity selected by the Project Promoter in accordance with the Act on Public Procurement and the state aid rules before the submission of the project application that is actively involved in, and actively contributing to, the project. The requirement for compliance with the Act on Public Procurement does not mean that a project partner should be selected through the public procurement process. It should be just the contrary, i.e. there must be no supplier-customer relationship between the Project Promoter and the project partner in relation to the project. The project partner’s role is virtually identical to that of the Project Promoter. They are two (or more) entities each of which bears its own responsibility for a certain integral part of the project, which

must be defined by the project outcome. Each of those entities has its own, independent budget, grant and co-financing for the project, though they are based on a mutual agreement between those entities. Such agreement must be formalised through a so-called partnership agreement.

**Partnership agreement** – an agreement made between the Project Promoter and the project partner that stipulates the rights and obligations of the parties in relation to the project. The project partner agreement constitutes an indirect legal relationship between the Programme Operator and the project partner.

**Supporting documentation** – documentation specified in this Guide to be submitted by a Project Promoter and a project partner.

**Grant Offer Letter** – an offer letter through which the Programme Operator notifies the Project Promoter of approval of its project application.

**Project Interim Report** – a report to be submitted by the Project Promoter to the Programme Operator at least once in four months in order to inform the Programme Operator about the progress made in the project in term of both finance and subject-matter implementation. The Project Interim Report constitutes at the same time a payment claim. The Project Interim Report template will be prepared by Programme Operator.

**Project Promoter** – an entity having the responsibility for initiating, preparing, and implementing of the project.

**Programme** – a structure setting out a development strategy with a coherent set of measures to be carried out through projects with the support of the EEA FM 2009-2014 and aimed at achieving the agreed objectives and outcomes.

**Project** – an economically indivisible series of works with a clearly identifiable aim related to the programme under which it falls. A project may include one or more sub-projects.

**Project Contract** – an agreement between the Programme Operator and the Project Promoter regulating the conditions of implementation of the project and the status, rights and obligations of the parties in relation to the project implementation.

**Project grant** – a financial contribution awarded by the Programme Operator to a Project Promoter to implement a project. A project grant (hereinafter “Grant”) does not include the co-financing provided by the Project Promoter and the project partner(s).

**Project account** – an account opened by a Project Promoter and a project partner specifically for the purposes of receiving the project grant.

**Expenditure in progress** – an expenditure in respect of which the underlying supply or the financial transaction has already been commenced.

**Reporting period** (accounting period) – a period during which the PIR has to be submitted.

**Results Based Management** – is an achievement-oriented management, while the results and activities are only means by which the objectives and outcomes should be achieved.

**Project budget** – a structured, itemised budget submitted on a form designated by the Programme Operator in which the planned expenditures are assigned to budget items in line with the project outcomes.

**Actually incurred eligible expenditure** – expenditure that has been accepted as eligible by the Programme Operator, the National Focal Point, the CC and the Financial Mechanism Committee. The amount of such actually incurred eligible expenditure may be additionally reduced on account of irregularities with a financial impact.

**Project co-financing** – a financial contribution to be made by the Project Promoter to the implementation of the project. The sum of the co-financing and that of the grant constitute the total eligible expenditure of the project.

**Programme Operator** – an entity appointed by National Focal Point that has the overall responsibility for preparing and implementing a programme.

**System of the Financing and Financial Management of the EEA FM and NFM for the Programming Period 2009 – 2014** – a set of mutually related and interlinked sub-systems and activities through which the finance planning, budgeting, use, accounting, reporting, payments, financial settlement, monitoring of financial flows, control and verification are secured in the process of implementing the assistance from EEA FM. The purpose of the system is to ensure economic, effective and efficient use of the EEA FM funds.

**State aid** – any aid granted from the state budget funds or through the public resources of an economic operator in any form which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and may adversely affect trade between the Member States of the EU.

**Financial Mechanism Office** – the body set up by the Donor States which is responsible for the day to day implementation of EEA FM.

**Supply underlying expenditure** – the delivery of goods, services or works.

**Project Review** – assessment of the progress made in the implementation of a programme/project. As opposed to monitoring, a review is based mainly on the documents and information provided by the entities involved in the management and control system.

**Financial Mechanism Committee** – the entity managing the EEA Financial Mechanism.

**Project outcomes** – short and medium-term impacts of the project towards achieving the project objective.

**Final Project Report** – a document prepared by the Project Promoter and submitted to the Programme Operator which documents the overall achievements of the project in terms of its objectives, outcomes and outputs and provides a summary of the project implementation.

**List of accounting documents** – a document whose purpose is to classify the different expenditure declared in the Project Interim Report into budget items and allocate them to the outcomes of the project/programme.

**Expenditure incurred** – expenditure for which both the underlying supply and the financial transaction have been completed.

**Settled expenditure** – expenditure declared in a Project Interim Report that was accepted by the Programme Operator as eligible and was not declared ineligible by the Programme Operator or other audit body at a later time.

**Applicant** – an entity that has submitted a Project Application.



**Request for repayment** – a document consisting of the Request for Repayment form and the enclosures, as described in the Guideline of the Ministry of Finance of the Slovak Republic No. 1/2012-U concerning the forms used for the purposes of the EEA Financial Mechanism and the Norwegian Financial Mechanism for the programming period 2009 – 2014, constituting the basis for the repayment of funds by the Project Promoter to designated accounts at the appropriate proportions.

## 1.2 Abbreviations

<b>CA</b>	Certifying Authority
<b>DPP</b>	Donor Programme Partner
<b>DS</b>	Donor States
<b>EC</b>	European Community
<b>EU</b>	European Union
<b>EEA FM</b>	European Economic Area Financial Mechanism
<b>NFP</b>	National Focal Point
<b>AA</b>	Audit Authority
<b>PIR</b>	Project Interim Report
<b>RBM</b>	Results Based Management
<b>PO</b>	Programme Operator
<b>SB</b>	State Budget
<b>FMO</b>	Financial Mechanism Office
<b>GAO</b>	Government Audit Office
<b>OPP</b>	Office for Public Procurement
<b>GOSR</b>	Government Office of the Slovak Republic
<b>FMO</b>	Financial Mechanism Office
<b>PFR</b>	Project Final Report
<b>LAD</b>	List of accounting documents

## **2 VALIDITY, EFFECT AND AMENDMENTS**

### **2.1 Validity and Effect of the Guide**

This Guide will become valid and effective on the date of its approval by the executive director of SAIA, n. o.

In case of any difference between this Guide and a project contract, the provisions of the project contract will apply. In case of any difference between this Guide and the Regulation, or this Guide and the Programme Agreement, the provisions of the Regulation or the respective Programme Agreement will apply. In case of any difference between this Guide and a Grant Application or a Project Interim Report, the provisions of this Guide apply.

### **2.2 Amendments to the Guide**

#### **2.2.1 Amendments Following from Other Provisions**

In case, the Guide refers to provisions that were amended or otherwise modified prior to or during the time it is effectiveness, the Project Promoter and partner shall follow the new provisions. These new provisions shall not be understood as only legal provisions in force in the Slovak Republic, but also any other documents that as may be referred to in the project contract.

In case any provision of this Guide is in conflict with laws of the Slovak Republic, the Project Promoter and partner with their seat in Slovak republic shall follow the provisions of the law. It is recommended that any conflicting provision of the Guide should be reported to the Programme Operator.

#### **2.2.2 Exceptions**

Any exception from application of the Guide may be granted only in duly justified cases, provided that the justification was accepted by the Programme Operator. Any exceptions will be granted by Programme Operator in writing at a written request of the Project Promoter.

The Programme Operator can grant an exception also based on its own initiative.

If the exception is generally valid for all Project Promoters, the Project Operator will need to inform the Project Promoters about the exception.

#### **2.2.3 Updates of the Guide**

This Guide may be updated by an amendment to the Guide or by issuance of a new version.

The annexes to the Guide may be updated only by publishing of its new version on the Programme Operator's website and informing the Project Promoter via Project Coordinator's e-mail address.

An amendment to the Guide will be issued if any of its provisions proves in practice to be unsubstantiated or unenforceable for a certain category of Project Promoters, or if the obligations of Project Promoters and project partners are to be further particularised or extended. An amendment will be subject to approval of the Executive director of SAIA, n. o.

Where the Guide extends the obligations of Project Promoters and project partners beyond the obligations laid down in the project contract, tacit consent of Project Promoters will be required. Such tacit consent will be deemed to be given if and when a Project Promoter takes action in accordance with the updated Guide for the first time. This consent will not be required if the array of Project Promoters' obligations remains unchanged.

### 3 IMPLEMENTATION RULES

The Project Promoter and project partner are required to abide by the EEA FM implementation rules as laid down in the following documents in particular:

1. Regulation on the Implementation of the EEA Financial Mechanism 2009 -2014.
2. Programme Agreement for the financing of the Programme.
3. Programme Implementation Agreement.
4. Guides, guidelines, instructions, and other documents published by the Financial Mechanism Committee, Financial Mechanism Office, Certifying Authority, Audit Authority and the Programme Operator.
5. System of Management of the EEA Financial Mechanism and Norwegian Financial Mechanism for the Programme Period 2009 - 2014, adopted by the Slovak Government resolution No. 488/2011.
6. System of Funding and Finance Management of EEA Financial Mechanism and Norwegian Financial Mechanism for the Programme Period 2009 – 2014, as amended.
7. Legal provisions in force in the Slovak Republic (if relevant).
8. Legal provisions in force in the project partner's country (if relevant).
9. Project contract.

The Project Promoter and project partner are required to abide by the current versions of the abovementioned documents.

### 4 TIME LIMITS AND COMMUNICATION

#### 4.1 Time limits

In terms of the implementation of the programme a general rule applies - time limits following from the project contract, this Guide and any other legal framework document commence on the date specified in the document. Time limits whose commencement is subject to prior Programme Operator's notice requesting certain action commence on the day following the delivery of such notice to the Project Promoter.

Correspondence by email is considered delivered on the day it was sent before 4PM. An email sent on working day after 4PM is considered delivered the following working day, unless different rule applies (e.g. in the call, project contract, correspondence).

The date of delivery of a mail piece to the Programme Operator is the date when the mail piece is registered at the Programme Operator's Secretarial Office, if it was delivered in person or by post/courier.

Time limits concerning the Programme Operator whose commencement is subject to prior delivery of a mail piece from the Project Promoter commence on the day following the delivery of such mail piece. During any time when the approval of PIR or disbursement of the project grant or the implementation of the project is suspended, **time limits concerning the Programme Operator shall be suspended.**

In justified cases, the Programme Operator will have the right to extend all time limits laid down in this Guide, unless they are directly stipulated in the text of the project contract.

## 4.2 Communication

Contact person is a person conducting the **on-going communication with the Programme Operator on day-to-day matters in the project implementation.**

The Project Promoter is the only entity authorised to act in dealings with the Programme Operator; unless it is specified otherwise in this Guide. In practice it means that the **project partner may communicate with the Programme Operator only through the Project Promoter unless it is specified otherwise in this Guide, or unless the implementation process requires different approach. The Programme Operator has the right to communicate with the project partner directly.** The project partner is responsible for keeping the Project Promoter informed of such communication.

The following addresses are available for the communication with the Programme Operator:

- An email is serving as a general address for other Project Promoter's filings, notices and requests: [spehp@saia.sk](mailto:spehp@saia.sk).
- For more contacts please see the Article 20 *Contacts*.

## 5 PROJECT PROMOTER'S ACCOUNT

The Project Promoter is obliged to set up project account in national currency (EUR); to receive payments of the Project Grant to the project account; and sustain the account open until the last receipt of a payment from project grant, and until the full financial compensation. On the project account applies provisions of Article 4.6. of System of Funding and Finance Management of EEA FM and NFM for the Programme Period 2009 – 2014<sup>1</sup>, as amended and provisions of Article 4 of General Conditions of Contract which creates Annex 2 of the Project Contract.

The obligations of the Project Promoter in relation to the account vary depending on whether the Project Promoter is:

- a) state organisation financed, fully or partially, by the state budget,
- b) higher territorial unit (HTU) and municipality,
- c) budgetary organization founded by the municipality or HTU,
- d) contributory organization founded by the municipality or HTU requesting a project co-financing contribution from the founder,
- e) contributory organization founded by the municipality or HTU requesting a project co-financing contribution from the founder,
- f) commercial company, including non-governmental organisation or other type of organisation.

Ad **c)** the Project Promoter is obliged to transfer funds corresponding to the part of the project grant of the Project Promoter to the budget of founder within 5 calendar days of its receipt. Subsequently the founder will transfer the funds together with co-financing of the project (if relevant) to the budget expenditure account of the Project Promoter. In case the Project Promoter request from the funder co-financing of the project for the project partner, the funder will at the same time transfer funds corresponding to the part of the co-financing for the project partner to the project account of the Project Promoter. Subsequently the Project Promoter will transfer funds corresponding to the part of the project grant with co-financing to the project partner bank account.

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<sup>1</sup> <http://www.mfsr.sk/Default.aspx?CatID=7980>

Ad **d)** the Project Promoter is obliged to transfer funds corresponding to the part of the project grant of the Project Promoter to the budget of founder within 5 calendar days of its receipt. Subsequently the founder will transfer the funds together with co-financing of the project (if relevant) to the project account of the Project Promoter. In case the Project Promoter request from the funder co-financing of the project for the project partner, the funder will at the same time transfer funds corresponding to the part of the co-financing for the project partner to the project account of the Project Promoter. Subsequently the Project Promoter will transfer funds corresponding to the part of the project grant with co-financing to the project partner bank account.

## 6 FINANCIAL FLOWS

The project financing from the project grant is provided through advance payments, reimbursements, or their combination. Method of financing is stipulated for each project in the project contract. Payments are disbursed on the basis of a completed Project Interim Report (PIR), with an exception of the first advance payment. PIR must be properly completed, consistent with the actual financial and subject-matter implementation of the project and submitted to the Programme Operator within the prescribed time limit.

### 6.1 Advance Payments

**The first advance payment of up to 80% of the project grant will be disbursed to the project account of the Project Promoter within 15 working days from the conclusion of the project contract, unless a different date and/or a pre-payment condition is stipulated in the project contract.** The amount of first advance payment is specified in the project contract.

Projects are financed in the form of first advance payment, interim payments (further advance payments), combined system of financing and final balance payment in the form of reimbursement of incurred expenditures upon approval of the Final Project Report.

Except the first advance payment, the Project Promoter is eligible to receive interim payment only if **at least 40% of the total eligible project costs have been incurred.** Interim payments may be disbursed up to 90% of the project grant. Amounts of further advance payments are set in the project contract (Grant Offer Letter).

Unless the project contract stipulates otherwise, the second and further advance payments are disbursed on the basis of the payment request included in the PIR which shall be submitted together with the settlement of expenditures incurred in the designated reporting period within 5 working days from approval of the PIR by the PO.

Advance payments will be disbursed up to 90 % of the project grant, unless the project contract stipulates otherwise. The remaining part of the project grant which was not paid through advance payments will constitute retention of project grant that will become payable upon approval of the Final Project Report.

Submitted Project Interim Report is subject to administrative verification and/or on-the-spot verification. If the Programme Operator reduces the sum of declared expenditures on account of, for instance, identification of ineligible expenditure and such reduction causes that the Project Promoter will not be entitled to receive an advance payment, no advance payment will be disbursed. The Programme Operator will notify the Project Promoter accordingly.

#### 6.1.1 Repayment of an Advance Payment

The Programme Operator will request the Project Promoter to repay the advance payment in particular in the following cases:

1. If any funds remained unsettled after the last PIR (Project Final Report) was submitted, i.e. there is a positive difference between the disbursed grant and the settled expenditure.
2. **If more than 10 % of the disbursed grant** remained unsettled over two reporting periods, which the Programme Operator attributes to Project Promoter's/project partner's omission.
3. If the Programme Operator has suspended the financing of the project or decided that the project will be prematurely terminated.

4. If the Programme Operator has decided to impose a financial correction that causes the sum of the disbursed advance payments to exceed the amount of the awarded project grant after enforcement of the financial correction.

The Programme Operator will send to the Project Promoter a request for repayment and the Project Promoter will transfer the funds to the account specified in the request no later than 30, resp. 15 working days from the receipt of the request for repayment.

## **6.2 Combined Financing System**

If the sum of declared expenditures in PIR is higher than the sum of already provided project grant, the Project Promoter is entitled to request reimbursement of declared expenditures realized from its own funds via PIR (combined financing system). When claiming a next payment via PIR, the Project Promoter shall not make any differentiation between payment request and reimbursement and will merely claim an advance payment, part of which will be subsequently used for reimbursement of expenditures realized from its own funds. The Project Promoter is entitled to transfer the amount of reimbursement approved in PIR from project account to another account.

## **6.3 Reimbursement**

The Project Promoter is eligible for reimbursement of actually incurred eligible expenditures (except reimbursement as the combined financing system according to the Article 6.2 of this Guide), if the amount of actually incurred eligible expenditures without co-financing exceeded the amount of the provided project grant. After approval of the Final Programme Report the Programme Operator will reimburse the Project Promoter the funds up to the amount of retention of project grant.

## **6.4 Project Co-financing and financing of partners**

If the co-financing of the project is done through the project account, the Project Promoter shall transfer corresponding amount of co-financing from its own funds to the project account no later than 7 days after the receipt of each advance payment. The amount of those funds corresponds to the percentage of provided advance payment. The amount of co-financing of the project from resources of the Project Promoter can be reduced only by the amount attributable to the percentage amount of co-financing provided from partner's own funds, if specified in project contract, e.g. in the Partnership Agreement.

If the co-financing of the project is not done through the project account, every expenditure shall be eligible for funding from the project grant only in the amount attributable to the percentage corresponding to the contribution from the EEA Financial Mechanism and co-financing from the state budget.

The Project Promoter shall transfer the portion of the advance payment including co-financing (if relevant) approved by the Programme Operator for the project partner to the account of the project partner specified in the Partnership Agreement (if not specified otherwise in the Partnership Agreement).

## 7 PROJECT INTERIM REPORT (PIR)

The Project Promoter shall settle disbursements of project grant through the Project Interim Report (PIR). PIR consists of the PIR form and annexes. It also represents a request for an additional advance payment.

Unless the project contract stipulates otherwise, the PIR submission deadlines are as follows:

- a) reporting period from 1 January to 30 April: generally till **9 May of the current year**
- b) reporting period from 1 May to 31 August: generally till **9 September of the current year**
- c) reporting period from 1 September to 31 December: generally till **9 January of the following year**

If the deadline falls on a Saturday or Sunday, the deadline in relation to the PIR will be moved to the next working day.

Submitted PIR is subject to administrative verification and review carried out by the Programme Operator. For further information see Article 7.5 of this Guide.

Complete PIR means PIR which is according to the Programme Operator free of any shortcomings..

**If the Project Promoter fails to submit a complete PIR for two consecutive reporting periods, the Programme Operator will have the right to request repayment of the whole project grant sum previously disbursed and terminate the project.**

The PIR form together with its Annexes is published and available to the Project Promoter on the Programme website.

An enhanced version of PIR also represents the **Annual Project Report** and the **Final Project Report**.

**Annual Project Report** for the preceding calendar year submits the Project Promoter by the deadline for submission of the PIR for a reporting period from September to December – until 9 January of the following year. Annual Project Report is extended compared to the PIR on evaluation of the implementation of cross-cutting issues and other information from a calendar year period. The Annual Project Report form will be available on the Programme website at least 1 month before the end of the first year of the project implementation.

The Project Promoter submits the **Final Project Report** after the project ends (usually the last PIR of the project). **The Project Promoter is required to electronically notify the Programme Operator about the completion of the project within three (3) working days from the last day of the project.**

The Final Project Report is extended compared to the PIR on evaluation of the implementation of cross-cutting issues and other information from the period of the project. The Final Project Report form is available on the Programme website. The Project Promoter shall submit completed Final Project Report within 30 calendar days after the last day of the project. In the following text the term Project Interim Report shall also apply mutatis mutandis to the Annual Project Report and to the Final Project Report, unless explicitly stated otherwise.

### 7.1 Project Interim Report form

PIR form is an Excel document that the Project Promoter fills for each reporting period on behalf of all partners. PIR form with its Annexes and instructions for its completion is published on the Programme website.



## 7.2 Annexes to the Project Interim Report

The **Project Promoter submits** the PIR to the Programme Operator together with the following annexes:

1. List of the accounting documents (LAD) incurred in the given reporting period (LAD form in Slovak and English language is published on the Programme website together with the PIR form),
2. List of public procurements (LPP) carried out the given reporting period related to the implementation of the project with estimated contract value equal or greater than 1,000 EUR and less than 20,000 EUR.
3. A copy of the relevant pages from the ledger including actually incurred,
4. Account statement of the project account for each individual month in the given reporting period, from which it is possible to accurately identify all receipts and payments made in the given reporting period. If this is not possible, it is necessary to submit statement from every transaction made on the project account,
5. Accounting and supporting documentation (if applicable - see Article 8.9),
6. Documents proving the substantive progress of the project (if applicable - see Article 9),
7. Any other documents.

**PIR contains summary information about the Project Promoter and all partners. Partners submit all documentation to the Project Promoter, who shall attach them to PIR.**

### Inter-institution cooperation projects:

- **Partner from the Slovak Republic (SR)** is obliged to submit to the Project Promoter all documents in scanned form and documents referred to in points: 1, 2, 6 and 7 shall be submitted also in an editable version. Documents referred to in points 1 and 2 shall be sent also in printed version.
- **Partner from a donor state (DS)** is obliged to submit to the Project Promoter the documents referred to in points: **1, 5, 6 and 7** in electronic form. Documents referred to in points: 1, 5, 6 and 7 shall be submitted in scanned form and documents referred to in points: 1, 6 and 7 shall be submitted also in an editable version.

### Mobility projects:

- **Partner from DS who is provided with the project grant** is obliged to submit to the Project Promoter the documents referred to in points: **1, 5, 6 and 7** in scanned form and documents referred to in points: 1, 6 and 7 shall be submitted also in an editable version.
- **Partner from DS who was not provided with the project grant** does not submit any documents to the Project Promoter.

Deadline for sending supporting documents/Annexes to PIR by partners to the Project Promoter is subject to mutual agreement of the Project Promoter and a partner, and it is usually specified in the partnership agreement.

**The Project Promoter is obliged to archive for its purposes copies of documents from all partners.**

**The Project Promoter is obliged to submit complete PIR in due time as follows:**

- **electronically in editable version PIR form and Annexes 1, 2, 6 and 7**
- **electronically in scanned version PIR form (all sheets) and Annexes 1 – 7**
- **in printed version PIR form (all sheets) and Annexes 1 and 2 of the Project Promoter and partner from SR (on behalf of partner from DS only electronically)**

**E-mail address and postal address where the PIR shall be sent is specified in the Article 20 of this Guide.**

### 7.2.1 List of Accounting Documents

List of accounting documents (LAD) is an Annex to the PIR. The Project Promoter and partner are required to state in LAD all actually incurred expenditures in the given reporting period. The Project Promoter and partner from the Slovak Republic shall fill the LAD in the Slovak language, the partner from DS in English language. The LAD for in Slovak and English language will be available for the Project Promoter and partners on the Programme website.

After the end of the reporting period, the Project Promoter and partner shall complete the LAD. The accuracy of the data provided in the LAD of the Project Promoter shall be confirmed by the signature of the legal representative of the Project Promoter or project coordinator. Partner from DS sends an editable electronic version and the scanned signed version of the LAD electronically to the Project Promoter. LAD of the partner from the DS is submitted to the PO by the Project Promoter only electronically. Partner from SR shall send the signed printed version of the LAD to the Project Promoter as well as an editable electronic version and scanned signed version. LAD of the partner from SR is submitted to the PO by the Project Promoter in printed version as well as electronically.

### 7.2.2 List of Public Procurements

List of public procurements (LPP) is an Annex to the PIR. The Project Promoter and partner from SR are required to state in LPP all public procurements carried out the given reporting period related to the implementation of the project with estimated contract value equal or greater than 5,000 EUR and less than 20,000 EUR. The LPP is available on the Programme website. Partner from DS does not submit this Annex.

After the end of the reporting period, the Project Promoter and partner from SR shall complete the LPP. The accuracy of the data provided in the LPP of the Project Promoter shall be confirmed by the signature of the legal representative of the Project Promoter or project coordinator. Partner from SR shall send the signed printed version of the LPP to the Project Promoter as well as an editable electronic version and scanned signed version. LPP of the partner from SR is submitted to the PO by the Project Promoter in printed version as well as electronically.

### 7.3 Declaration of Expenditures in PIR

Expenditure is considered eligible and the Project Promoter / partner shall include it to the current PIR, if it was implemented on the level of the Project Promoter / partner and it meets the eligibility criteria set out in this Guide.

**In case only a part of the amount of the accounting document is applicable as an eligible expenditure, include in PIR only this claimed amount of the accounting document.** The Project Promoter or partner is obliged to justify the method of calculating of the proportion of expenditure.

The following terms should be clarified for the purposes of this Article:

**Expenditure in progress** is expenditure in respect of which the underlying supply or the financial transaction has already been commenced.

**Expenditure incurred** is expenditure for which both the underlying supply and the financial transaction have been completed.

**Supply underlying expenditure** is the delivery of goods, services or works.

**Financial transaction of expenditure** is the transfer of funds to the supplier/contractor/employee accounts in payment for the goods, services and works supplied, irrespective of whether the payment was made from the project account or another account of the Project Promoter or the partner. The decisive date is the date when the payment was sent to the supplier/contractor/employee.

In terms of time, expenditures in PIR shall be declared as follows:

**1. Expenditures paid from the project account directly to the supplier/contractor/employee and expenditures paid from other account of Project Promoter/project partner shall be declared in PIR as follows:**

- based on the date the money was debited from the Project Promoter's/partner's project account if the supply underlying the expenditure preceded the financial transaction,
- based on the date of the delivery of goods, works or services if the financial transaction of the expenditure preceded the supply.

**2. Expenditures paid in cash** shall be declared in PIR based on the date of the payment to the supplier/contractor/employee.

Expenditure for which the underlying supply was completed but the financial transaction was not completed on the last day of the eligibility of the expenditures shall be declared in the list of accounting documents. However, the accounting document, e.g. invoice must be issued during the last month of the period of eligibility of the expenditures and the financial transaction of the expenditure concerned must be terminated within 30 calendar days from the last day of the eligibility of the expenditures. The period of eligibility of expenditure is specified in the project contract.

**Expenditure that was not declared by the Project Promoter within the reporting period in which it was incurred may be included only in the PIR for the next reporting period. This provision shall not apply to situations when the approval of the expenditure or PIR was suspended.**

**Example 1:** A foreign business trip was undertaken in April. The settlement of travel expenses occurred in May. In such case, the expenditure shall not be included in PIR for the reporting period from January to April, when foreign business trip was undertaken and the supply underlying of the expenditure occurred, but for the reporting period from May to August, when the settlement of travel expenses occurred and financial transaction of the expenditure ended.

**Example 2:** Expenditure for the purchase of equipment was made on 28. 4. 2015. Project Promoter mistakenly did not declared expenditure in the PIR for the reporting period 1 January to 30 April 2015. The Project Promoter is entitled to declare this expenditure in PIR for the next reporting period from 1 May to 31 August 2015, but not later.

#### **7.4 Settlement of financial relations with the Project Promoter**

Repayment of funds from advance payments provided to the Project Promoter by the Programme Operator is carried out in the following cases:

- a) the Project Promoter has not used / settled all financial means of advance payments provided on the basis of project contract (the Project Promoter is obliged to return to the Programme Operator unsettled financial means equivalent to the difference between the project grant and total eligible expenditure actually incurred without its own project co-financing within 15 working days of receiving the request, including unsettled financial funds from partner),
- b) the Project Promoter has received funding from EEA FM and co-financing from the state budget due to erroneous payments,
- c) the Project Promoter has violated the duties specified in the project contract and breach of duty constitutes a breach of financial discipline under § 31 par . 1, letter a), b), c) of Act No . 523/2004 Coll. on budgetary rules, as amended,
- d) the Project Promoter and partner generated income from the project during the project implementation, which is according to the Regulation related to the obligation to repay such income,

- e) financial funds provided to the Project Promoter in the form of advance payments generated interest and revenue accrued to the Project Promoter (see Article 15 Transfer of interest income from the project),
- f) if more than 10% of the provided project grant remained unsettled over two reporting periods and the Programme Operator attributes this to omission of duties of Project Promoter or partner,
- g) other, if the project contract gives to the Project Promoter an obligation to repay provided project grant or its part.

Programme Operator will send to the Project Promoter a request for repay of funds that the Project Promoter is obliged to transfer to the account specified in the request within 30, resp. 15 working days after the request for repay of funds was received.

The Programme Operator will send to the Project Promoter together with the request also form of the Notice of financial settlement. Repayment of funds certifies the Project Promoter to the Programme Operator by sending the Notice within 10 calendar days after the date when payment of funds ended. Annex to the Notice of financial settlement is stamped copy of the bank account statement signed by the legal representative of the Project Promoter/project coordinator.

### 7.5 Programme Operator's Decision-making on PIR

Submitted PIR is subject to administrative verification and review carried out in accordance with the Act on Financial Control. If necessary, the PO can carry out on-the-spot financial control (see Chapter 10 of this Guide).

Administrative verification and review shall be carried out by the PO within 25 working days from delivery of the PIR.

If the Programme Operator identifies in the PIR or in its Annexes only minor formal shortcomings respectively administrative errors, Project Promoter shall be alert to avoid them when next PIR will be submitted. Shortcomings classified as administrative errors do not require rectifying by the Project Promoter. The Project Promoter will be informed depending on the nature of the administrative error. If the PIR and its Annexes do not contain deficiencies, or contains only formal shortcomings, the Programme Operator shall approve the PIR in full amount and inform the Project Promoter by delivery of the Report.

Shortcomings classified as deficiencies shall be rectified. The criterion for assessing whether it is an administrative error or deficiency, is whether it is possible in spite of the shortcoming decide on the eligibility of expenditure.

If the Programme Operator identifies in the PIR or in its Annexes deficiencies or determines that it is necessary to submit additional documents, it will electronically request the Project Promoter to rectify the shortcomings or supplement the documentation. The Programme Operator may request any documents related to the project and determine whether the documents should be sent in written form or by email. After the rectify of shortcomings/delivery of additional documentation the Programme Operator will perform the project review and administrative verification. If the PIR is without shortcomings, the Programme Operator shall **approve the PIR in full amount** and inform the Project Promoter by delivery of the Report.

In case that the PIR contains other deficiencies, the Programme Operator will deliver to the Project Promoter the Draft Report. In the Draft Report shall be stated the deficiencies and recommendations and measures to eliminate deficiencies as well as opinion of PO if the PIR will be suspended, approved with reduced amount or rejected. The Project Promoter will be requested to submit

objections within 5 working days from delivery of the Draft Report. The Project Promoter shall adopt the recommendations and measures within 15 working days. PO will reconsider the objections of the Project Promoter; elaborate the Report and deliver it to the Project Promoter.

If the Project Promoter will submit a written report on the implementation of measures to eliminate deficiencies including supporting documentation and information, the Programme Operator will perform the project review and administrative verification of relevant parts of PIR and expenses that were insufficient. If the deficiencies in the PIR or in its parts have been removed, the Programme Operator shall approve the PIR in full amount and inform the Project Promoter about the result of the project review and administrative verification.

If the shortcomings in the PIR or in its parts have not been removed, the Programme Operator may decide on PIR as follows:

- approve the PIR with reduced amount
- suspend the PIR,
- reject the PIR,
- suspension of disbursement of the project grant,
- suspension of the project implementation.

The Project Promoter will be informed about the result of the approval process within the time period set for administrative verification and review.

If the Project Promoter is entitled for second advance payment requested in the PIR, the Programme Operator shall inform the Project Promoter and send the advance payment within 5 working days from approval of the PIR.

#### **7.5.1 Approval of PIR with reduced amount**

Approval of PIR with reduced amount may mean:

1. reduction of the declared expenditures,
2. rejection of the payment.

The Programme Operator may decide to suspend approval of specific expenditure in PIR until the eligibility of expenditure has been clarified. In case of possible reinstatement of the expenditure, the Project Promoter is entitled to declare such expenditure in PIR for the reporting period in which the Programme Operator decided to allow its reinstatement.

#### **Reasons for suspension of the approval of expenditure:**

- ongoing verification of public procurement related to the project by the Public Procurement Office,
- incomplete financial implementation of expenditure, incomplete supply underlying of expenditure or the grounds on which the expenditure can be approved failed,
- if the Project Promoter for any reason have not submitted supporting documentation within the time limit but other deficiencies noted in the request to rectify shortcomings have been removed.

In case the approval of expenditure is suspended the PIR will be reduced by the amount of the expenditure. In the next PIR, the Project Promoter shall state the reasons for reinstatement of the expenditure. Suspension of approval of the expenditure does not preclude approval of the PIR, which can be approved in reduced volume.

#### **7.5.2 Suspension of PIR**

The Programme Operator has the right to suspend PIR in particular in the following cases:

- 1) the disbursement of the project grant to the Project Promoter under the project contract has been suspended. PIR will be suspended during the time of the suspension of project grant disbursements,
- 2) expenditures for goods, services, or work that are part of the PIR and were not acquired by public procurement, despite the fact it is stipulated in the project contract and/or the Public Procurement Act, or expenditures for goods, services, or work were not procured in accordance with the project contract and/or the Public procurement Act and/or this Guide,
- 3) the Project Promoter and/or its suppliers/contractors did not obtain necessary permits, authorisations or certificates required for the project related activities under applicable legislation, or the permits, authorisations or certificates have been lost or have not become enforceable, valid or effective,
- 4) other serious reasons preventing from approval of the PIR.

PIR may be suspended under the point 2) until a supplier/contractor has been selected in accordance with the procedures prescribed in the project contract and the Public Procurement Act. If any ineligible expenditure is identified, the notice of suspension of the PIR approval will indicate the amount of expenditure to be classified as ineligible.

PIR may be suspended under the point 3) until all necessary permits, authorisations or certificates required for the activities related to the expenditure have been issued to the Project Promoter or its supplier/contractor. The notice of suspension of the PIR approval may state a time limit within which the necessary permits, authorisations or certificates must be obtained in order to avoid termination of the project by the Programme Operator.

### **7.5.3 Rejection of PIR**

The Programme Operator has the right to reject PIR in particular in the following cases:

- a) the goods, services or works to which the expenditure in the PIR relates were not procured through public procurement, or the public procurement process was not conducted in compliance with this Guide,
- b) the PIR or other documents are completed improperly and the correction of deficiencies would take more time than the preparation of a new PIR,
- c) a fraudulent intent has been evidenced (false documents, an unauthorised bank account, fictive activities, and similar conduct aimed at gaining an unlawful benefit). In such case, the Programme Operator will request repayment of the whole project grant amount previously disbursed,
- d) premature termination of the project.

The Programme Operator shall state in the notice of rejection of the PIR the reasons for the rejection and further procedure, such as measures to be taken before the submission of the next PIR (if applicable).

### **7.5.4 Suspension of Disbursement of the Project Grant**

Suspension of the disbursement of the project grant aims to protect public resources by stopping any further payment to the Project Promoter or project partner until the unlawful situation has been remedied, or the requested funds have been repaid by the Project Promoter, or the situation in issue has been resolved, e.g. via request for methodological guidance by a competent entity or audit by a competent entity.

The Programme Operator shall inform the Project Promoter or the project partner of the suspension of the disbursement of the project grant in writing, stating the reasons for the suspension of the disbursement as well as the time limit within which documents should be submitted that will allow the Programme Operator to examine whether or not the reasons for the suspension of the

disbursement ceased to exist or were remedied. As a general rule, the time limit should not be longer than 8 months from the sending of the notice to the Project Promoter.

**Suspension of the disbursement of the project grant will not relieve the Project Promoter and project partners from the obligation to continue the implementation of the Project and submit the PIR!**

If the reasons for suspension of the disbursement of the project grant persist after the expiry of the time limit determined by the Programme Operator, the project will be terminated. In exceptional cases, including when the time limit was not unfulfilled because of omission on the part of the Project Promoter or the project partner and the Project Promoter or the project partner have continued to implement the project in accordance with the pre-defined time plan, the Programme Operator may extend the time limit. Suspension of the project grant may also be partial meaning that temporarily only certain outputs and project costs will not be financed.

The maximum period within which payments of the project grant may be suspended is 12 months from the date of receipt of the notice of suspension of the disbursement of project grant to the Project Promoter. If the reasons for the suspension were not removed, after this period the Project Promoter is obliged to return the given project grant or its part.

#### **7.5.5 Suspension of the Project Implementation**

If the disbursement of the project grant has been suspended, the Programme Operator may also request suspension of the project implementation, particularly in cases when the project implementation harms the reputation of the EEA Grants, threatens a public interest, is or might be harmful to population's health or cause damage to property, or in other similar cases.

Suspension of the project implementation means that the Project Promoter shall not continue the project implementation, even if it is financed from its own funds. During the suspension of the project implementation, the time limits applicable to the Project Promoter and the project partners will be suspended, though the project must be completed no later than the deadline specified in the project contract.

Suspension of the project implementation may also be partial, i.e. only certain project activities or expenditures will be suspended.

#### **7.6 Extraordinary PIR**

The Project Promoter is eligible to submit extraordinary PIR in case that this PIR is at least 40% of the total eligible project costs have been incurred and at the same time the Project Promoter shall request the second advance payment. Such PIR is extraordinary because it is submitted in other dates than is specified in Article 7 of this Guide.

Extraordinary PIR including its Annexes shall be submitted for a period of at least one complete calendar month. This change of reporting period is considered as observed change in the project (see an Article 11.3 of the Guide), but this change does not have influence on the obligation of the Project Promoter to submit next PIR in the date specified in Article 7 of this Guide.

The administrative verification and review of extraordinary PIR is the same as in the regular PIR. The provisions of Article 7.1 – 7.5 this Guide are also applied to the extraordinary PIR.

**Example:** The Project Promoter submitted PIR for reporting period 09-12/2015 within the time limit up to 09. 01. 2016, but he was not be entitled to payment of the second advance payment. In months January and February 2016 the Project Promoter accrued expenditures related to the project that means he has spent more than 40% of total eligible costs of the project. Because the Project Promoter is expecting more expenditure related to the project within short period of time for which

the advance payment provided will not be sufficient, the Project Promoter is eligible to request another advance payment in amount of maximum 10 % of the project grant via extraordinary PIR. This extraordinary PIR shall be submitted for the reporting period 01-02/2016 within the time limit up to 09. 03. 2016. The Project Promoter is obliged to submit the next PIR in regular time up to 09. 05. 2016. The reporting period of this PIR shall be 03 – 04/2016.



## 8 ELIGIBILITY OF EXPENDITURES

**Eligible expenditure** is expenditure declared in one of submitted PIR and admitted by the Programme Operator as eligible. Eligible expenditures of the project are only those expenditures which were implemented after the entry into force of the project contract. Eligible expenditure must meet the eligibility criteria specified in Section 8.1 Eligibility of expenditure in this Guide. The period of eligibility of expenditures is specified for each project in the project contract.

### 8.1 Eligibility Criteria of Expenditures

- a) expenditure must be specified in the project budget,
- b) expenditure must be reasonable,
- c) expenditure must be incurred in the period of eligibility,
- d) expenditure must be supported by accounting document and supporting documentation,
- e) expenditure must be realized and implemented in accordance with the provisions of the project contract relating to the procurement of goods, services and works,
- f) expenditure must comply with all legal requirements,
- g) expenditure must be in line with the principles of economy, efficiency, expediency and effectiveness,
- h) expenditure shall be necessary to pursue and to achieve project goals and fulfilment of indicators.

Expenditures whose underlying supply or financial transaction was finalised before the beginning of the eligibility period will not be eligible.

Expenditures whose underlying supply was finalised after the eligibility period will not be eligible.

Expenditures whose underlying supply was finalised and the relevant accounting document was issued in the last month of the eligibility period is considered to be eligible if the financial transaction was finalised no later than 30 calendar days after the last day of the eligibility period. Expenditures whose financial transaction occurred at a later time will not be eligible.

### 8.2 Direct Relation to the Project

As a general rule for the eligibility of expenditure, expenditure must be **directly** related to the project implementation. Direct relation means that the activity concerned was impossible to undertake without the expenditure and, at the same time, the expenditure is **primarily** related to the implementation of the project.

Expenditures relating to operations unrelated to the achievement of the objective, outcomes of the project are not eligible expenditures, whether or not they were incurred by the Project Promoter or a project partner in virtue of applicable legislation or internal rules.

### 8.3 Eligibility of Expenditures in Terms of Sound Financial Management

Expenditure must comply with the requirements of economy (minimising expenditure while respecting the objectives of the project), effectiveness (maximising the outcomes to inputs ratio of the project), expediency (inevitability for the implementation of the project activities and direct relation to them) and efficiency (expenditure must bring a real outcome, in line with what was planned).

Expenditure must be reasonable, i.e. consistent with the customary market price of the goods, service or work in the given place at the given time. When assessing eligibility of expenditure, the

Programme Operator has the right to reduce expenditure even if it was planned in the budget at a higher amount.

#### **8.4 Eligibility of Expenditures and Consistency with the Accounting**

All expenditures must be supported by accounting documents and supporting documentation. An accounting document must be properly recorded in the Project Promoter's or project partner's accounting records in accordance with the valid accounting standards. Any inconsistency with accounting documents and supporting documentation must be justified and a judgement must be made whether or not the expenditure has been properly evidenced in terms of both incurrence and amount.

**All expenditures must be recorded in appropriate sub-accounts such that their relation to the project is clearly identifiable.**

#### **8.5 Eligible Expenditures in a Project Interim Report**

All expenditures declared in a PIR shall have been actually incurred, i.e. both the underlying supply and the financial transaction have been completed. The declaration of expenditure in PIR is discussed in Article 7.3 of this Guide.

#### **8.6 Eligible types of expenditures for Inter-institutional Cooperation projects (Measures 4 and 5)**

Within the meaning of the Regulation on implementation of the EEA FM expenditures are divided into direct and indirect.

##### **8.6.1 Direct expenditures**

**The direct eligible expenditures** of the project are those expenditures which are identified by the Project Promoter and/or project partners as specific costs directly linked to the implementation of the project. Direct link means that a given activity would not be possible to implement without implementation of this expenditure, while the expenditure is primarily related to the implementation of the project. **Direct expenditure consists of expenditures on project activities, management and publicity.** Management expenditures may be applied to a maximum of 10 % of the expenditures on project activities. Expenses on promotion or publicity of the project can be applied to a maximum of 3 % of the expenditures on project activities.

Management expenditures include personnel costs, purchases of low-value tangible assets and low-value intangible assets, travel costs and travel insurance, daily allowances/scholarships (accommodation, meals, necessary additional expenditures), audit, public procurement costs and other expenses.

Expenditures dedicated to promotion or publicity include expenditures on information materials (brochures, booklets, flyers), website, information events and other expenses.

#### **Types of direct eligible expenditures for projects**

Eligible expenditures are:

- personnel costs (see the section 8.6.1.1),
- travel expenditures and travel insurance (see section 8.6.1.5),
- meals at domestic and foreign trips of project participants (see section 8.6.1.6),
- scholarships and daily allowances (see section 8.6.1.6), accommodation (see section 8.6.1.6),
- refreshment (see section 8.6.1.7),
- rental of conference premises and classrooms (see section 8.6.1.8),
- materials for conferences and seminars,

- purchase of study materials, aids and publications (see section 8.6.1.10),
- publishing of common study materials, aids, publications,
- purchase of office supplies and aids (see section 8.6.1.9),
- purchase of low-value tangible assets and low-value intangible assets including technical equipment of classrooms (see section 8.6.1.12),
- contractual services (e.g. translation),
- depreciation of assets used for the project (proportion) (see section 8.6.1.13),
- insurance (see Article 13),
- expenditures on publicity (see section 8.6.1.17),
- expenditures on public procurement,
- project audit (see section 8.6.1.18),
- bank charges (see section 8.6.1.16),
- other necessary costs related to the project.

#### 8.6.1.1 Personnel Costs

Personnel costs are differentiated between the personnel costs of persons involved in project management and the costs of persons involved in the project activities.

Persons involved in project management are largely project coordinator and project accountant who must be employees of the Project Promoter or contractors of the Project Promoter. Expenditures of eligible partner for an independent project coordinator and accountant, who are employed by or contracted by a partner, are eligible.

It should also be kept in mind that the personnel costs of persons involved in project management are expenditures related to project management, while the rule applies that management expenditures cannot exceed 10 % of the eligible expenditures of the project activities.

**Eligible expenditure is the total cost of labour, i.e. gross gross salary including contributions of the employer, provided that this corresponds to the Project Promoter's and project Partner's usual policy on remuneration.** Expenditures in excess of the total labour costs are not eligible (e.g. supplementary voluntary pension scheme to which the employer contributes to an employee, subsistence allowance beyond the law, other financial and non-financial benefits, etc.).

The Programme Operator is entitled to require from the Project Promoter/partner submission of salary report of employees who are not involved in the project in order to verify whether the salary of employees involved in the project is in accordance with the usual salary policy of the Project Promoter or partner.

**Bonuses** may be disbursed to an employee only if the project implementation in the period reported proceeds in accordance with the approved time plan. Where the employee is remunerated on the basis of a fixed gross monthly salary, the amount of bonus must not be higher than 1.5 times the salary. Where the employee is remunerated on the basis of a fixed hourly rate, the amount of bonus must not be higher than 1.5 times the average of the three preceding monthly pays of that employee.

#### 8.6.1.2 Author's Contracts, Agency Contracts, Mandate Contracts and Other Types of Contracts

The types of contract that the Project Promoter or a project partner may conclude with a natural person that is not a business entity include employment contract, service contract or non-employment work agreements (work performance agreement, agreement on work activity and agreement on student's temporary job). Conclusion of other types of contract or agreement is subject to **prior specific written approval of the Programme Operator**. A specific rule will apply to

foreign project partners that they may enter only into such type of contractual relationship with a natural person that is not a business entity that is consistent with the national legislation of the project partner's country.

Expenditures incurred under author's contracts are eligible only to the extent such contracts are made for the purpose of delivery of a work that has a tangible, physical nature (this means in practice that expenditure on speaker's activities (presentation of lectures) incurred under author's contracts will not be eligible). Conclusion of an author's contract will also be subject to **prior specific written approval of the Programme Operator**.

#### 8.6.1.3 Employment Relationship

A contract-based employment relationship or other legal contract-based relationship must exist between the employer and the employee.

The employment relationship must be established in accordance with applicable national legislation. The actual working arrangements must be in accordance with the provisions of the contract and the national legislation concerning, without limitation, remuneration and overtime work.

The contract or other document concluded under applicable legislation or the organisation's internal rules (hereinafter "employment contract") shall contain the following:

- a reference to the project in which the employee takes part,
- the proportion of the employee's work in relation to the other work activities, where applicable,
- the agreed gross monthly salary or hourly pay rate,
- specification of the project works, which must be consistent with the grant application,
- specification of the outcomes of the works, where applicable.

#### 8.6.1.4 Statement of Work

The employee's activities listed in the statement of work must be linked to the project outcomes with which the related personnel costs are connected.

The form of statement of work creates Annex 1 of this Guide.

##### **Statement of work shall be submitted if:**

- **the employee is involved in the project by 100 % and is paid wage on the basis of hours worked,**
- **the employee is not involved in the project by 100 % and is paid wage on the basis of hours worked.**

##### **The statement of work may not be submitted if:**

- **the employee is involved in the project by 100 % and is paid a monthly wage, while in the employment contract the amount of monthly gross wage is defined,**
- **the employee is not involved in the project by 100 % and is paid a monthly wage, while in the employment contract the amount of monthly gross wages is defined and together with the proportion of the employee's work in the project.**

##### **Statements of works must be completed correctly:**

- a) **in mathematical terms** – the hours reported must be correctly summed up
- b) **in terms of subject matter** – the activities must be linked to the project implementation; the number of hours spent on certain activity must not exceed a reasonable time needed for such activity,

- c) in terms of time – the activities must not overlap with other activities undertaken at the same time, i.e. the statements must be mutually consistent with the other supporting documentation of the employee’s activities, for example with travel order, participation in the selection committee for public procurement, etc.
- d) in terms of formal requirements: the activities reported in the statements of work must be sufficiently detailed to allow identification of the activity carried out by an employee, and the forms must be signed by the employee who carried out the work concerned (acting through a deputy or agent is not permitted) as well as by the responsible person/project coordinator.

The Programme Operator may request the Project Promoter to rectify only deficiencies relating to items a) and d) stated above, i.e. only formal inconsistencies in a statement of work. In case of inconsistencies in a statement of work referred to in items b) and c), the expenditure concerned or its part will automatically be classified as ineligible. Therefore, statements of works should be completed with a particular care.

#### 8.6.1.5 Travel costs and travel insurance

Travel costs and travel insurance are differentiated between travel costs and travel insurance of persons involved in **project management** and travel costs and travel insurance of persons involved in the **project activities**. Travel costs and travel insurance are eligible expenditure for domestic and international business trips. Travel insurance is eligible expenditure in case of international business trip. Travel costs and travel insurance may be planned for domestic and international business trips of employees of the Project Promoter or project Partner, as well as for other persons involved in the project implementation (e.g. experts from the organisation of associated Partner).

Travel costs and travel insurance related to the project management shall be calculated under budget category “Project management”.

Travel costs and travel insurance related to mobility activities shall be calculated under budget category “Activity”. **Travel costs and travel insurance for one return journey are eligible up to 700 EUR per person, based on actual incurred expenditure.** These travel costs include all costs related to the journey to the destination and back. Travel costs related to the everyday transport during the stay are included in budget category „Daily allowances/scholarships”.

Other travel costs may include, e.g. rental a bus for students on purpose of transport to the excursion. Other travel costs are eligible based on actual incurred expenditures and they shall be settled based on actual incurred expenditures.

**The amount of travel insurance has to correspond to actual market prices in the country of the Project Promoter and project partner.**

#### 8.6.1.6 Daily allowances and scholarships (accommodation, board, necessary additional costs)

Daily allowances and scholarships (accommodation, board, necessary additional costs) may be provided for the persons involved in the project management and persons involved in the project activities.

#### International business trips

- **Scholarships** (monthly scholarship rate – see Table No. 2)
  - for longer time period
    - students and PhD students – for stays from 8<sup>th</sup> day (1<sup>st</sup> month),
    - staff – for stays from 11<sup>th</sup> day (1<sup>st</sup> month),

- includes expenditure for accommodation, board and necessary additional expenditures

*Table No. 2 – Scholarships*

	From Donor States to Slovakia	From Slovakia to Donor States
Students and PhD students	600 EUR/month	1,125 EUR/month
Staff	1,000 EUR/month	2,100 EUR/month

A scholarship month represents one month from the day of the arrival to the stay until the day in the next month, with a number representing the day that is lower by one than the day when the stay started. In case of a month which has fewer days than the month arrival, the last day of the particular calendar month is considered to be the end of the scholarship month.

For example, if the scholarship stay started on the 5th of March, the scholarship month will end on the 4th April. If the scholarship stay started on the 31st of January, the scholarship stay will end on the 28th/29th of February.

In case of stays longer than one month following principles for calculating eligible amount of scholarship applies:

- **up to 3 days** – not entitled to additional scholarship
- **from 4 to 15 days** – entitled to ½ of the amount of monthly scholarship rate
- **from 16 to 31 days** – entitled to full amount of monthly scholarship rate.
- **Daily allowances** (scholarships paid in the form of daily allowances – see Table No. 3)
  - for shorter time period
    - students and PhD students – for stays up to 7 days, including 7<sup>th</sup> day,
    - staff – for stays up to 10 days, including 10<sup>th</sup> day,
  - includes expenditure for accommodation, board and necessary additional expenditures

*Table No. 3 – Daily allowances*

	From Donor States to Slovakia	From Slovakia to Donor States
Students and PhD students	80 EUR/day	150 EUR/day
Staff	100 EUR/day	210 EUR/day

**For the last day of stay**, the participant is entitled to a third of the amount of daily allowance rates above (i.e. 26.67 EUR for students and PhD students from Donor States to Slovakia and 33.30 EUR for staff from Donor States to Slovakia; 50 EUR for students and PhD students from Slovakia to Donor States and 70 EUR for staff from Slovakia to Donor States).

The Project Promoter is obliged to sign a scholarship agreement with every HEI student/PhD student before their departure on mobility. **The scholarship agreement** has to contain:

- identification of parties involved, i.e. Project Promoter and HEI student/PhD student, who receives the scholarships/daily allowances,
- subject of the agreement – granting of the scholarship/daily allowances ,
- total amount of the scholarship/daily allowances,
- bank account information – bank account of HEI student/PhD student for the purpose of direct debit ,
- obligations of parties involved.

HEI student/PhD student is obliged to compile and submit a report to the Project Promoter/Project partner after the stay is finished (i.e. home organization); in Slovak or English language; submit the

confirmation from organization confirming the completion of the stay within 10 business days after the end of the stay (in English language). In reasonable cases (e.g. participation in an event) an invitation to the event, programme of the event, list of participants, or an attendance sheet can be submitted instead of the confirmation. The PO does not prescribe the form of the report, nor confirmation from receiving organization.

Accommodation, board and necessary additional expenditures (including local transport) related to the stay are included in the flat rate of daily allowances/scholarships. These expenditures will not be supported by accounting documents.

In exceptional cases, when per diems, accommodation and additional costs cannot be paid in the form of the defined flat rate of daily allowances/scholarships, it is possible to cover these expenses separately. **In such cases they shall be supported by accounting documents.**

- Per diems – eligible up to the limit stated in the national legislation at the time of the international business trip.
- Accommodation – eligible up to (including local fee):
  - In Slovakia up to 80 EUR/night
  - In Norway, Iceland, Lichtenstein up to 150 EUR/night
- Additional costs (e.g. local transport, fee for luggage transport with separate accounting document). The relation of additional costs shall be obviously connected to the business trip and necessary for execution of the business trip.

**Note:** Pocket money is not eligible expenditure for participation on international business trip.

**Upper-secondary schools students/pupils shall not be provided with daily allowances/scholarships flat rate.** Mobility of upper-secondary school students/pupils within project of Inter-institutional cooperation in upper secondary education/training shall be covered in the form of actual incurred expenditure for accommodation, meals, refreshments etc. Expenditures of upper-secondary schools students/pupils shall be **supported by accounting documents** (see Table No. 6 this Article).

#### **Domestic (intra-national) business trips**

- Per diem costs are eligible up to the limit stated in the national legislation at the time of the national business trip.
- Accommodation costs are eligible up to (include local fee):
  - In Slovakia up to 80 EUR/night
  - In Norway, Iceland, Liechtenstein up to 150 EUR/night
- Additional costs (e.g. fee for luggage transport, local transport (with separate accounting document). The relation of additional costs shall be obviously connected to the business trip and necessary for execution of the business trip.

#### **8.6.1.7 Refreshment**

Refreshment is an eligible expenditure, if directly related to the project implementation and is necessary for its implementation.

#### **8.6.1.8 Rental of conference premises and classrooms**

Rental of conference premises and classrooms is an eligible expenditure, if directly related to the project implementation and is necessary for implementation of project activities. Rental of projector and other aids that are necessary for the implementation of activities are eligible expenditures too.

#### **8.6.1.9 Purchase of office supplies and aids**

Purchase of office supplies and aids is an eligible expenditure, if directly related to the project implementation and is necessary for the project implementation.

#### **8.6.1.10 Purchase of study materials, aids and publications**

Purchase of study materials, aids and publications is an eligible expenditure, if study materials, aids and publications are necessary for the implementation of project activities.

#### **8.6.1.11 Publishing of common study materials, aids, publications**

Publishing of common study materials, aids, publications is an eligible expenditure, if directly related to the project implementation.

#### **8.6.1.12 Purchase of low-value tangible assets and low-value intangible assets including technical equipment of classrooms**

Low-value tangible assets are tangible assets with the acquisition price up to 1,700 EUR and low-value intangible assets are intangible assets with the acquisition price up to 2,400 EUR (according to current Slovak legislation). If low-value tangible assets and low value intangible assets were procured, **the acquisition price is an eligible expenditure**, if above mentioned limits were met.<sup>2</sup> Partner from Donor States follows its national legislation when procuring a low-value tangible assets and low-value intangible assets. Acquired assets must remain in Project Promoter's/partner's possession at least for the duration of the project contract.

#### **8.6.1.13 Depreciation**

If Project Promoter acquires tangible assets with an acquisition price higher than 1,700 EUR and/or intangible assets with an acquisition price higher than 2,400 EUR, the eligible expenditure is only a part of depreciation of acquired assets corresponding to the duration of the project accordance with national legislation<sup>1</sup>. Unless the call stipulates otherwise, eligible expenditure is the costs amounting to the depreciation, not the acquisition price of the asset. The prorated portion not used for the purposes of the project is not eligible expenditure.

Depreciations will be accepted as eligible expenditure up to the tax deductible amount. Depreciation will be considered incurred if it was accounted for by the Project Promoter and project Partner.

The following rules will apply to depreciation:

1. Depreciation is reimbursed on the basis of monthly book depreciation.
2. An equipment item must be classified to a depreciation group in accordance with applicable tax legislation. The amount of depreciation will be calculated using the appropriate straight-line rates.

#### **8.6.1.14 Purchase of second hand equipment**

Expenditure on purchase of second hand equipment may be considered eligible if the following conditions are met:

1. The seller of the equipment has provided a declaration of origin of the equipment and confirmed that at no point the equipment was purchased or financed with the aid of national grants, EU grants or EEA FM grants, and

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<sup>2</sup> In case of a legislative change, limits for acquisition prices of low-value tangible and low-value intangible assets that are in accordance with national legislation will be applied.



2. The price of the equipment does not exceed its fair value, taking into account the reduced technical and economic lifetime of the equipment, and is lower than the price of equivalent new equipment, and
3. The equipment has the necessary technical parameters for the project and is in compliance with relevant norms and standards.

If the purchase price exceeds 10.000 EUR, the opinion of a qualified appraiser confirming compliance with the conditions in paragraphs 2 and 3 is required.

#### **8.6.1.15 Value Added Tax**

Value added tax (VAT) is accepted as eligible expenditure if the Project Promoter or project Partner is not entitled to refund of the tax, irrespective whether or not the refund claim was actually made. When the expenditure is eligible only in part, the value added tax (if eligible) related to this expenditure is eligible in the same proportion.

#### **8.6.1.16 Bank charges**

Bank charges connected with the management and administration of the **project account**, transactions over such account, including charges for foreign transfers from such account are eligible expenditure.

#### **8.6.1.17 Expenditures on publicity**

Eligible expenditures on publicity are expenditures on information seminars (seminar, press conference, opening conference, final conference etc.), webpage, information materials (publication, brochure, leaflet).

#### **8.6.1.18 Project audit**

Since the partner from the Donor State is responsible for the project audit that is performed by an independent and certified auditor, the audit costs are considered to be eligible expenditure. Partners are obliged to make a commitment in the Partnership agreement to perform an independent audit of expenditures financed from project grant at the end of the project. The auditor is obliged to make a statement regarding the adherence to the national rules of public procurement. The Project promoter and the partner whose seat is located in the Donor state can apply the enactment of Article 7.13.3 of the Regulation. Auditor's report must be submitted as a part of the Final project report, which means that the audit must be planned adequately.

#### **8.6.1.19 Purchase of goods and services from abroad**

If an accounting document for the purchase of goods, services and works was issued in a language other than Slovak, Czech or English, the Project Promoter or the Slovak project partner is obliged to obtain a translation to Slovak or English language.

If an accounting document for the purchase of goods, services and works was issued in a language other than Slovak, Czech, English, Norwegian, Icelandic or German, Partner from Donor states is obliged to obtain a translation to Slovak or English language.

An exchange rate loss or gain incurred by the Project Promoter or project Partner on account of the difference between the book value and the conversion made according to the Accounting Act will not affect eligibility of the expenditure, i.e. the eligible amount will be the amount of expenditure recorded in the Project Promoter's or project Partner's accounting.

Where a customs duty was levied on the purchase, the duty will be added to the acquisition of the goods and considered eligible expenditure insofar as the Project Promoter possesses all required clearance documents and the duty payment receipt.

## 8.6.2 Indirect costs

Indirect costs (maximum up to 10% of total direct eligible costs) are all eligible costs that cannot be identified by the Project Promoter and/or project Partner as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs may include the following costs: electricity, water and sewer rates, cleaning, phone charges etc.

Indirect costs may be identified according to one of the following methods:

- a) **based on actual indirect costs** for those Project Promoters and project Partners that have an analytical accounting system to identify their indirect costs as indicated above. Actual indirect costs are calculated on a pro-rata basis from the appropriate accounting documents relation to the indirect costs incurred in each reporting period. The result is the actual amount of indirect costs attributable to the project implementation.
- b) Project Promoter and project partners may opt for **a flat rate** of up to 10% of its total direct eligible costs, excluding its direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Project Promoter. Application of a flat rate is possible only in case of complex organisations or projects where the determination of the absolute amount of indirect costs based on accounting documents could cause a disproportionate administrative burden. **When applying flat indirect costs the Project Promoter and eligible Partners shall provide reasonable and accurate methodology for calculation indirect costs.**

The Project Promoter and the project Partners is obliged to choose one of the above methods before the start of the project implementation. **The chosen method shall be kept unchanged during the whole implementation of the project.** Combination of the actual indirect cost method and the flat rate method is not allowed. In both cases, i.e. in determining actual indirect costs and flat rate, Project Promoter and partner must clearly demonstrate method of calculation of the proportion if in addition of activities realised in the project they also realise other activities.

Where the Project Promoter or the project partner has chosen the flat rate method, all accounting documents on which the determination of the flat rate by the Project Promoter was based must be retained throughout the term of the project contract. The exact amount of the flat rate shall be determined and approved by Programme Operator and will be defined in the project contract. **The methodology for flat rate calculation is stated in Annex 2 of this Guide.**

Project Promoters and/or project partners that have identified indirect costs in a manner comparable to letter a) under the sixth or seventh Framework Programme of the European Commission cannot make use of the methods described in letter b).

## 8.7 Eligible types of expenditures for Mobility projects (Measure 2)

Eligible expenditures for Mobility projects in higher education are:

- travel costs and travel insurance
- daily allowances and scholarships
- organisation of mobility

### 8.7.1 Travel costs and travel insurance

**Travel costs and travel insurance for one return journey are eligible up to 700 EUR per person, based on actual incurred expenditure.** These travel costs include all costs related to the journey to the destination and back. Travel costs related to the everyday transport during the stay are included in budget category „Daily allowances/scholarships“.

The amount of travel insurance has to correspond to actual market prices in the country of the Project Promoter and project partner.

### 8.7.2 Scholarships and daily allowances

Scholarships and daily allowances include expenditures related to accommodation, board, necessary and additional costs. They are paid in form of a lump sum and do not to be supported by accounting documents.

- **Scholarships** (monthly scholarship rate – see Table No. 4)
  - for longer time period
    - students and PhD students – for stays from 8<sup>th</sup> day (1<sup>st</sup> month),
    - staff – for stays from 11<sup>th</sup> day (1<sup>st</sup> month),
  - includes expenditure for accommodation, board and necessary additional expenditures

Table No. 4 – Scholarships

	From Donor States to Slovakia	From Slovakia to Donor States
Students and PhD students	600 EUR/month	1,125 EUR/month
Staff	1,000 EUR/month	2,100 EUR/month

A scholarship month represents one month from the day of the arrival to the stay until the day in the next month, with a number representing the day that is lower by one than the day when the stay started. In case of a month which has fewer days than the month arrival, the last day of the particular calendar month is considered to be the end of the scholarship month.

For example, if the scholarship stay started on the 5th of March, the scholarship month will end on the 4th April. If the scholarship stay started on the 31th of January, the scholarship stay will end on the 28th/29th of February.

In case of stays longer than one month following principles for calculating eligible amount of scholarship applies:

- **up to 3 days** – not entitled to additional scholarship
  - **from 4 to 15 days** – entitled to ½ of the amount of monthly scholarship rate
  - **from 16 to 31 days** – entitled to full amount of monthly scholarship rate.
- **Daily allowances** (scholarships paid in the form of daily allowances – see Table No. 5)
    - for shorter time period
      - students and PhD students – for stays up to 7 days, including 7<sup>th</sup> day,
      - staff – for stays up to 10 days, including 10<sup>th</sup> day,
    - includes expenditure for accommodation, board and necessary additional expenditures

Table No. 5 – Daily allowances

	From Donor States to Slovakia	From Slovakia to Donor States
Students and PhD students	80 EUR/day	150 EUR/day
Staff	100 EUR/day	210 EUR/day

**For the last day of stay**, the participant is entitled to a third of the amount of daily allowance rates above (i.e. 26.67 EUR for students and PhD students from Donor States to Slovakia and 33.30 EUR for staff from Donor States to Slovakia; 50 EUR for students and PhD students from Slovakia to Donor States and 70 EUR for staff from Slovakia to Donor States).

The Project Promoter is obliged to sign a scholarship agreement with every HEI student/PhD student before their departure on mobility. **The scholarship agreement** has to contain:

- identification of parties involved, i.e. Project Promoter and HEI student/PhD student, who receives the scholarships/daily allowances,
- subject of the agreement – granting of the scholarship/daily allowances ,
- total amount of the scholarship/daily allowances,
- bank account information – bank account of HEI student/PhD student for the purpose of direct debit,
- obligations of parties involved.

HEI student/PhD student is obliged to compile and submit a report to the Project Promoter/Project partner after the stay is finished (i.e. home organization); in Slovak or English language; submit the confirmation from organization confirming the completion of the stay within 10 business days after the end of the stay (in English language). If PhD student during the stay worked on the preparation/dissertation defence, it is necessary to enclose an evaluation report to the documentation. The supervisor of dissertation who led the PhD student at the hosting institution prepares and signs an evaluation report. The PO does not prescribe the form of the report, nor confirmation from receiving organization.

### 8.7.3 Organisation of mobility

Organisation of mobility is eligible expenditure, which make up 10% of the direct expenditure. As direct costs are calculated amounts of daily allowances/scholarships and travel costs and travel insurance. Organisation of mobility is a lump sum available to the applicant and partners to complete administrative tasks associated with managing the mobility. The use of amount provided for the Organisation of mobility shall not be clarified, but its real amount will be calculated at the end of the project based on actual funds spent on daily allowances/scholarships and travel costs and insurance. This budget can be used for presence at the seminars organised by the Programme Operator<sup>3</sup>.

### 8.8 Excluded costs

According to the Article 7.6 of the Regulation on the implementation of the EEA FM, following costs shall not be considered eligible:

- Interest on debt, debt service charges and late payment charges,
- Charges for financial transaction and other purely financial costs, except costs related to accounts required by the FMC, the National Focal Point or the applicable law and costs of financial services imposed by the project contract,
- Provisions for losses or potential future liabilities,
- Exchange losses, except losses covered by a provision explicitly approved by the FMC for each programme,
- Recoverable VAT,
- Costs that are covered by other sources,
- Fines, penalties and costs of litigation,
- Excessive or reckless expenditure.

Purchase of land and real estate according to Article 7.3 Regulation, paragraph 1, point d) shall not be considered eligible.

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<sup>3</sup> The Programme Operator will organise 2 seminars for Project Promoters. First seminar in the 1Q 2015, focused mainly on the administrative responsibilities of the Project Promoter and Partner. Second seminar will be in 1Q 2016, where the Project Promoters shall present their (partial) project outcomes and will be informed on the provisions for the project closing. Duration of the seminars shall be 1 full day.

## 8.9 Submission of supporting documentation to demonstrate eligibility of expenditure

### If PIR does not include expenditures exceeding EUR 5,000

The Project Promoter shall not send to the Programme Operator the accounting documents and relevant supporting documentation for expenditures not exceeding EUR 5,000, unless it is requested by the Programme Operator. However the Project Promoter is obliged to keep the originals of proofs of all expenditure not exceeding EUR 5,000 and supporting documentation and submit the originals of accounting documents and supporting documentation (referred to in Table No. 6) to the control group during the on-the-spot verification. Similar procedures apply to the partners from Slovakia and Donor states.

### If PIR includes expenditures exceeding EUR 5,000

If the sum of accounting document is higher than 5,000 EUR, the Project Promoter provides the Programme Operator with accounting documents and relevant supporting documentation for these expenditures. Project Promoter sends copies of accounting documents and supporting documentation to the Programme Operator. These documents are used to prove eligibility of expenditures according to the Table No. 6. Copies of accounting documents and supporting documentation have to be verified and signed by the legal representative of the Project Promoter/project coordinator and every page of supporting documentation and accounting documents has to contain a stamp of the Project Partner's organization. If the documentation is in a hardcover form, the stamp should be placed on the first side of the documentation. At the same time, the Project Promoter keeps the originals of accounting documents and supporting documentation, which he will submit to control group during on-the-spot-verification. Same rules apply to the partners from Slovak Republic. The partner from Slovak republic sends documentation to the Project Promoter.

*Table No. 6 – Accounting documents, supporting documentation to demonstrate eligibility of expenditure*

<b>I. Personnel costs</b>
1. Payroll list, payslip
2. Proof of payment of the salary to the employee
3. Employment contract or similar document that establishes work-legal relation or state-labour relation or agreement to the outside-employment relation
4. Statutory declaration signed by the employee about an account into which the employer sends a wage or reward if the account number is not part of the document in accordance point 5
5. Statement of work, if applicable (see Article 8.6.1.4.)
6. The list of workers who participated in the project during the reporting period
<b>Note:</b> Documents and supporting documentation mentioned in point No. 3 and 4 will be submitted only once, when the first PIR including personnel costs is submitted.
<b>II. Travel costs and travel insurance</b>
1. Proof of payment (e.g. of the flight ticket)
2. Boarding pass, electronic or paper flight ticket, train ticket, bus ticket, local transport ticket, reservation ticket, baggage fee
3. Proof of payment of taxi service and justification of its use
<b>Note:</b> Expenditures used for travelling in the 2 <sup>nd</sup> or economy classes are considered to be eligible (the 1 <sup>st</sup> class expenditures are eligible only up to travelling in the 2 <sup>nd</sup> class or economic class.

Travelling by taxi is eligible expenditure only after 10 PM or in case it can be proved that there was no other possibility to use public transport. In case of other, extraordinary situation, Project promoter or partner may submit explanation of travelling by taxi, but it is up to Programme Operator whether he accepts it or not.

#### Travelling by car

1. Calculation of the amount of compensation for fuel
2. Copy of technical and driving license

#### Travelling by other car than company car

3. Proof of payment of compulsory liability insurance motor vehicle
4. Written agreement between the employee and the employer on the use other car than company car
5. Written agreement between the employee and the employer on the use other car than company car
6. Calculation of the basic compensation for using vehicles during business trip in accordance with national legislation
7. Green card, if necessary

#### Travelling by company car

3. Request for travel
4. Green card, if necessary

#### Parking

1. Proof of payment for parking
2. Explanation for using paid park space

#### Insurance

1. Medical insurance and other kind of insurance for business trip abroad, if necessary

### III. Scholarships/daily allowances

#### Scholarships/daily allowances (board, accommodation, additional costs – paid in form of lump sum)

##### Employees submit

1. Travel order signed by employee and employer/ Scholarship agreement
2. Business trip reimbursement and proof of payment of daily allowances/scholarship
3. Report from business trip
4. Photo documentation, invitation for the event etc.

##### HEI students and PhD students submit

1. Scholarship agreement
2. Proof of payment of daily allowances/scholarship
3. Report from business trip

**Note:** Report from business trip and documents in accordance with point 4 shall be submitted within the physical progress.

#### Board, accommodation, additional costs (paid based on actual incurred expenditures)

##### Board

##### Domestic business trip

1. Travel order signed by employee and employer / Scholarship agreement
2. Business trip reimbursement in accordance with the law on travel expenditures / national regulations

##### Foreign business trip

1. Travel order signed by employee and employer / Scholarship agreement
2. Business trip reimbursement in accordance with the law on travel expenditures / national regulations

3. Report from business trip	3. Report from business trip
<b>Note:</b> Report from business trip shall be submitted within physical progress.	
<b>Accommodation</b>	
1. Invoice	
2. Proof of payment for accommodation	
<b>Additional costs</b>	
1. Local transport (bust ticket, train ticket etc.)	
2. Proof of payment for local fee related to the accommodation, if it paid on the basis of separate accounting document	
3. Proof of payment for transporting baggage, if it paid on the basis of separate accounting document	
<b>IV. Refreshment</b>	
1. Contract/order	
2. Proof of payment	
3. Invoice	
4. Documentation proving the action of conference/event (invitation, attendance sheet, photo documentation etc.) on which is necessary to ensure refreshment	
<b>Note:</b> Documentation proving the action of conference/event in accordance with point 4 shall be submitted within physical progress.	
<b>V. Rental of conference premises</b>	
1. Contract/order	
2. Proof of payment	
3. Invoice	
4. Documentation proving the action of the conference/event (invitation, attendance sheet, photo documentation etc.)	
<b>Note:</b> Documentation proving the action of conference/event in accordance with point 4 shall be submitted within physical progress.	
<b>VI. Purchase of office supplies and aids</b>	
1. Contract/order	
2. Invoice	
3. Proof of payment	
4. Delivery note	
<b>VII. Purchase of study materials, aids, publications</b>	
1. Contract/order	
2. Invoice	
3. Proof of payment	
4. Delivery note	
<b>VIII. Publishing of common study materials, aids, publications</b>	
1. Contract/order	
2. Invoice	
3. Proof of payment	
4. Delivery note	
<b>IX. Purchase of low-value tangible assets and low-value intangible assets including technical equipment of classrooms</b>	
1. Contract/order	
2. Invoice	
3. Delivery note/ acceptance protocol	

4. Record about placement of asset into using	
5. Proof of payment	
<b>If only the amount of depreciation is the eligible expenditure, not the acquisition price of assets</b>	
1. Depreciation plan	
2. Listing from the analytic accounts	
<b>X. Expenditures on publicity</b>	
Printed mater – related to publicity	Contract/order, invoice, proof of payment, photocopy of the material which is related to publicity
Advertisement - related to publicity	Contract/order, invoice, proof of payment, copy of advertisement, audio advertising records to CD/USB media
<b>XI. Other</b>	
Bank charges connected with the management and administration of the project account	Statutory declaration to project account, Contract about establishing the account, bank account statement
<b>XII. Indirect costs</b>	
Electricity, water and sewer rates, gas etc.	Contract, invoice, method for calculating the proportionate part, proof of payment
Postal charges	Invoice, proof of payment postage, posting sheet, proof of purchase of valuables, if necessary
Phone charges	Contract, invoice, method for calculating the proportionate part, proof of payment
<b>Note:</b> Documents according to XII. Are submitted only if the indirect costs are based on the real expenses incurred. If indirect costs are identified on the basis of flat rate, the documents according to XII. Shall not be provided.	

#### 8.10 Expenditures of partner from Donor States

Partner from the Donor States shall not provide Programme Operator with any accounting or supporting documents (see item 7.2 of this Guide). Expenditures incurred by the partner from the Donor States will be subject of an audit performed by an independent and certified auditor. After the project is completed, all accounted expenditures incurred by the partner and stated in the Project Final Report must be also supported by the **report compiled by an independent and certified auditor**, which validates that all claimed expenses were incurred in accordance with the Regulation, national legislation, and accounting rules of the project partner's country.

**The report from the independent and certified auditor** shall include the following requirements:

- accurate partner identification, identification of project auditor, project identification, stamp and signature of a certified auditor (it must be clear from the stamp that it is an certified auditor or it shall be possible to prove in some other appropriate manner),
- declaration of the auditor's independence (in particular to eliminate conflict of interests with the partner from Donor States, Project Promoter and other partners,
- purpose of the report,
- a list of all expenditures covered by the report (description of expenditure, main characteristics and financial statement, inclusion in the project budget – item and sub-items),
- the list of expenditures in the report of certified auditor shall enable the Programme Operator to identify particular expenditure in the Project Interim Report (within the actual settlement),



- the extent of verification (except for Regulations, mainly the list of the main provisions of national law),
- verification of procurement of goods, services and works within the partner's expenditures in accordance with national legislation on public procurement,
- certified auditor's statement on the eligibility of verified expenditures, accurate identification and financial expression of ineligible expenditure.

The report shall be elaborated in English language. If it is written in the language of the Donor State or in another language (except Slovak and Czech language), it is necessary to provide an official translation into English or Slovak language.

Along with Final Project Report shall be sent 1 original of the audit report in printed version and electronic version (editable, PDF or scanned) if it is possible.

## 9 PROOF OF PHYSICAL PROGRESS OF THE PROJECT

Project Promoter and project partner from Slovakia and Donor States shall prove the physical progress of the project via PIR.

If not stated otherwise, electronic version means submission of the document, as an Annex to the PIR (on the email address [spehp@saia.sk](mailto:spehp@saia.sk), or its delivery on electronic media (CD/DVD, USB etc.), or web link to the data storage, from where the Programme Operator can review and download the documents.

All administrative documents shall be in English or Slovak language. As far as project outcomes developed in other language than Slovak/English are concerned (such as article, publication, teaching aid or method), it is sufficient to submit brief description of the outcome/document in English or Slovak language.

### 9.1 Measure 4 – Inter-institutional cooperation between higher education institutions

Documents that shall be submitted to the Programme Operator by the Project Promoter/project partner are stated in the Table No. 7. The project partner shall send the materials and documents proving the physical progress of the project to the Project Promoter, who subsequently submit the documents to the Programme Operator together with the PIR (see Article 7 of this Guide).

*Table No. 7 – Proof of physical progress of the project – higher education institutions*

Activity	Documents proving physical progress of the project	Form
a) Support for faculty-based cooperation between institutions in Slovakia and Donor States	<ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- meeting minutes, (on a distance basis or in person),</li> <li>- other, according to the character of the cooperation</li> </ul>	electronic
b) Development of common study modules	<p>Mandatory Annex is at least 1 of the following documents:</p> <ul style="list-style-type: none"> <li>- comparison of study programs,</li> <li>- analysis of the feasibility of the joint study module,</li> <li>- description of the joint study module,</li> <li>- subject syllabus within the joint study module,</li> <li>- draft of joint study module (or prepared accreditation dossier of the joint study module)</li> </ul>	electronic
c) Development or preparation of new teaching aids and teaching methods	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation of developed teaching aid itself, or from testing of the teaching aid/method</li> <li>- description of the teaching method or aid</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- developed teaching aid,</li> <li>- expert article about the new teaching aid/method</li> </ul>	electronic (if the expert article was published in printed media scanned version is sufficient)

Activity	Documents proving physical progress of the project	Form
d) Intensive courses for students and PhD students	Mandatory Annexes: <ul style="list-style-type: none"> <li>- programme of the intensive course,</li> <li>- attendance sheet,</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- invitation,</li> <li>- presentation,</li> <li>- video record of the lecture</li> </ul>	electronic (attendance sheet – scanned version of the original, original of the attendance sheet shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)
e) Preparation of joint scientific papers and publications as the output of a common project	Mandatory Annex is at least 1 of the following documents: <ul style="list-style-type: none"> <li>- article,</li> <li>- publication,</li> <li>- confirmation of the publisher of acceptance of the article for contribution to magazine/almanac, etc.</li> </ul>	electronic and/or paper (printed version is required in case that Project Promoter/partner used funds for printing of such number of pieces that allows sending 1 pc to the Programme Operator)
f) Organising conferences, seminars, training, workshops and summer schools	Mandatory Annexes: <ul style="list-style-type: none"> <li>- programme of the event,</li> <li>- attendance sheet</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- almanac of contributions, abstracts,</li> <li>- invitation,</li> <li>- presentation,</li> <li>- poster,</li> <li>- video record of the lecture</li> </ul>	electronic (attendance sheet – scanned version of the original, original of the attendance sheet shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)
g) Internships, practical placements, professional training of students and PhD students	Mandatory Annexes: <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of completion of the internship, practical placement, professional training from the organisation of practise (from supervisor, representative of the management or responsible administrative employee),</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances<sup>4</sup>,</li> <li>- video record</li> </ul>	electronic (confirmation of completion of the internship – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)

<sup>4</sup> Scholarship agreement/confirmation of granting of the scholarship/daily allowances is not mandatory Annex, if it is not mandatory Annex for proving eligibility of expenditures (see Article 8.9 of this Guide). Original of the Scholarship agreement/confirmation of granting of the scholarship/daily allowances shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification.

Activity	Documents proving physical progress of the project	Form
h) Short-term mobility of students and PhD students	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from supervisor, representative of the management or responsible administrative employee). In case of attendance at an event organised within the project it is possible to substitute the confirmation of participation in mobility from the hosting institution by the attendance sheet from the event, invitation, programme of the event, list of participants, while these document can be submitted directly for the given event/activity within project.</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances<sup>3</sup>,</li> <li>- video record</li> </ul>	<p>electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)</p>
i) Short-term mobility of academic staff	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from head of department/unit, representative of the management or responsible administrative employee). In case of attendance at an event organised within the project it is possible to substitute the confirmation of participation in mobility from the hosting institution by the attendance sheet from the event, invitation, programme of the event, list of participants, while these document can be submitted directly for the given event/activity within project.</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner )<sup>3</sup>,</li> <li>- video record</li> </ul>	<p>electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)</p>

Activity	Documents proving physical progress of the project	Form
j) Short-term mobility of experts	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- Justification for the need of involvement of the expert in the project (justification does not has to be an independent Annex, can be included in the relevant part if PIR)</li> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from head of department/unit, representative of the management or responsible administrative employee). In case of attendance at an event organised within the project it is possible to substitute the confirmation of participation in mobility from the hosting institution by the attendance sheet from the event, invitation, programme of the event, list of participants, while these document can be submitted directly for the given event/activity within project.</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances<sup>3</sup>,</li> <li>- video record</li> </ul>	<p>electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)</p>
k) Short-term mobility of top management and administrative staff	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting (from representative of the management or responsible administrative employee). In case of attendance at an event organised within the project it is possible to substitute the confirmation of participation in mobility from the hosting institution by the attendance sheet from the event, invitation, programme of the event, list of participants, while these document can be submitted directly for the given event/activity within project.</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel</li> </ul>	<p>electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)</p>

Activity	Documents proving physical progress of the project	Form
	order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner) <sup>3</sup> , - video record	

## 9.2 Measure 5 – Inter-institutional cooperation in upper-secondary education/training

Documents that shall be submitted to the Programme Operator by the Project Promoter/project partner are stated in the Table No. 8. The project partner shall send the materials and documents proving the physical progress of the project to the Project Promoter, who subsequently submit the documents to the Programme Operator together with the PIR (see Article 7 of this Guide).

*Table No. 8 – Proof of physical progress of the project – upper-secondary education*

Activity	Documents proving physical progress of the project	Form
a) Support for inter-institutional cooperation in education including activities focusing on students, teachers and other employees	<ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- meeting minutes, (on a distance basis or in person),</li> <li>- other, according to the character of the cooperation</li> </ul>	electronic
b) Support for inter-institutional cooperation in education on the joint implementation of topics of common interests	<ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- meeting minutes, (on a distance basis or in person),</li> <li>- other, according to the character of the cooperation</li> </ul>	electronic
c) Development or preparation of new teaching aids and methods	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation of developed teaching aid itself, or from testing of the teaching aid/method</li> <li>- description of the teaching method or aid</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- developed teaching aid,</li> <li>- expert article about the new teaching aid/method</li> </ul>	electronic (if the expert article was published in printed media scanned version is sufficient)
d) Organising knowledge contests for students	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- organisational instructions for participants in the competition and/or competition assignment,</li> <li>- evaluation of the competition</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- video record</li> </ul>	electronic
e) Organising of summer environmental schools	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- programme of the summer school,</li> <li>- attendance sheet,</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- invitation,</li> <li>- video record</li> </ul>	electronic (attendance sheet – scanned version of the original, original of the attendance sheet shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)

Activity	Documents proving physical progress of the project	Form
f) Organising of excursions and intensive courses for students	Mandatory Annexes: <ul style="list-style-type: none"> <li>- programme of the excursion/intensive course,</li> <li>- attendance sheet,</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- invitation,</li> <li>- presentation,</li> <li>- video record</li> </ul>	electronic (attendance sheet – scanned version of the original, original of the attendance sheet shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)
g) Professional stays and practice for student groups or teachers	Professional stays and practice for student groups - Mandatory Annexes: <ul style="list-style-type: none"> <li>- programme of the practice/professional stay,</li> <li>- attendance sheet</li> <li>- confirmation of participation in practice/professional stay from the hosting institution</li> </ul> Professional stays and practice for teachers <ul style="list-style-type: none"> <li>- Mandatory Annexes:               <ul style="list-style-type: none"> <li>- programme of the practice/professional stay,</li> <li>- invitation,</li> <li>- confirmation of participation in practice/professional stay from the hosting institution</li> </ul> </li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- video record</li> </ul>	electronic (attendance sheet, confirmation of participation in practice/professional stay from the hosting institution – scanned version of the original, original of the attendance sheet <sup>5</sup> shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)
h) Mobility of students with the aim to take part in one of the activities proposed above (a, d - g)	Mandatory Annexes <sup>6</sup> : <ul style="list-style-type: none"> <li>- mobility report (1 per student group, i.e. report of the group's responsible supervisor) in Slovak or English language</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- video record</li> </ul>	electronic (mobility report - scanned and editable version)
i) Distance cooperation of students on common assignments	Mandatory Annexes: <ul style="list-style-type: none"> <li>- organisational instruction for cooperation and/or assignment</li> <li>- result of cooperation – e.g. project, solved assignment</li> </ul> Other Annexes: <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- video record</li> </ul>	electronic (documentation can be submitted in the form of access to the communication platform through which the documents are shared)

<sup>5</sup> In case the confirmation of participation in practice/professional stay from the hosting institution is elaborated for the purposes of career development of the participant, it is necessary to elaborate this confirmation in appropriate number of originals.

<sup>6</sup> Annexes in excess of the documents submitted in within the activities a, d - g



Activity	Documents proving physical progress of the project	Form
j) Organising and participating in professional seminars for school staff	<p>Organisation of professional seminars for school staff - Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- programme of the professional seminar,</li> <li>- attendance sheet</li> </ul> <p>Participation at professional seminars for school staff - Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language</li> <li>- programme of the professional seminar (in case of external event),</li> <li>- invitation (in case of external event)</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner)<sup>3</sup>,</li> <li>- almanac of contributions, abstracts,</li> <li>- presentation,</li> <li>- poster,</li> <li>- video record of the lecture</li> </ul>	electronic (attendance sheet – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)
k) Mobility of teachers	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from representative of the management)</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation from the stay or photo documentation of developed teaching aid, or from testing of the teaching aid/method</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner)<sup>3</sup>,</li> <li>- description of the teaching aid/method</li> <li>- developed teaching aid,</li> <li>- expert article about the new teaching aid/method,</li> <li>- video record</li> </ul>	electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)
l) Mobility of school staff focusing on improvement of upper secondary	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility</li> </ul>	electronic (confirmation of participation in mobility – scanned version of the original,

Activity	Documents proving physical progress of the project	Form
schools management	<p>from the hosting institution (from representative of the management)</p> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner)<sup>3</sup>,</li> <li>- video record</li> </ul>	<p>original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)</p>

### 9.3 Measure 2 – Mobility projects

Documents that shall be submitted to the Programme Operator by the Project Promoter/project partner are stated in the Table No. 9 (see Article 7 of this Guide).

Table No. 9 – Proof of physical progress of the project – mobility projects

Activity	Documents proving physical progress of the project	Form
a) Long-term mobility of students	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- ECTS Learning Agreement<sup>7</sup></li> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from representative of the management or responsible administrative employee).</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances</li> <li>- video record</li> </ul>	<p>electronic (ECTS Learning Agreement – scanned version; confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report – scanned and editable version)</p>
a) Long-term mobility of PhD students	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- ECTS Learning Agreement<sup>8</sup></li> <li>- Evaluation report (shall be submitted only by the PhD students that were preparing and/or presented PhD thesis – the report shall be prepared and signed by the supervisor who led the PhD student at the hosting institution).</li> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from representative of the management or responsible administrative employee).</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances</li> <li>- video record</li> </ul>	<p>electronic (ECTS Learning Agreement, Evaluation report – scanned version; confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification; mobility report – scanned and editable version)</p>
b) Mobility of academic staff – teaching assignments	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- Individual Teaching Programme<sup>9</sup></li> <li>- mobility report in Slovak or English language,</li> <li>- confirmation of participation in mobility from the hosting institution (from head</li> </ul>	<p>electronic (confirmation of participation in mobility – scanned version of the original, original shall be kept in the evidence of the</p>

<sup>7</sup> ECTS Learning Agreement shall be concluded between sending and hosting institution.

<sup>8</sup> ECTS Learning Agreement shall be concluded between sending and hosting institution.

<sup>9</sup> Individual Teaching Programme shall be concluded between sending and hosting institution.

Activity	Documents proving physical progress of the project	Form
	<p>of department/unit, representative of the management or responsible administrative employee).</p> <ul style="list-style-type: none"> <li>- attendance sheet from provided lectures</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- photo documentation,</li> <li>- Scholarship agreement/confirmation of granting of the scholarship/daily allowances, i.e. travel order (the travel order substitutes the Scholarship agreement only in cases of employees of the Project Promoter/partner)<sup>3</sup>,</li> <li>- video record</li> </ul>	Project Promoter/partner and can be verified during on-the-spot verification; mobility report - scanned and editable version)

#### 9.4 Publicity Indicators

Documents that shall be submitted to the Programme Operator by the Project Promoter/project partner are stated in the Table No. 10 (see Article 7 of this Guide).

*Table No. 10 – Proving progress in achieving the indicators of publicity*

Activity	Documents proving achieving of the indicators of publicity	Form
Websites or web pages dedicated to the Project	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- web link to the website or web page</li> </ul>	electronic
Organised conferences, seminars, workshops and other events for public	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- programme of the event,</li> <li>- invitation,</li> <li>- photo documentation,</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- attendance sheet</li> <li>- presentation,</li> <li>- video record of the contribution</li> </ul>	electronic (attendance sheet – scanned version of the original, original of the attendance sheet shall be kept in the evidence of the Project Promoter/partner and can be verified during on-the-spot verification)
Press releases	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- press release</li> </ul>	printed/electronic (web link to the published press release, print screen)
Information and propagation materials	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- information/propagation material itself</li> </ul>	printed/electronic (depending on the character of the material)
Information published in the media (TV, radio, print)	<p>Mandatory Annexes:</p> <ul style="list-style-type: none"> <li>- video record/voice record /article,</li> <li>- web link to the published information /article</li> </ul> <p>Other Annexes:</p> <ul style="list-style-type: none"> <li>- web link to the media archive</li> </ul>	printed/electronic (depending on the character of the media)

## 10 FINANCIAL CONTROL ON-THE-SPOT AND ON-THE-SPOT VERIFICATION

Financial control on-the-spot is carried out on the expenditures and indicators declared in PIR, in accordance with the Act on Financial Control. On-the-spot verification/ Financial control on-the-spot is performed through control group, which is composed of the Programme Operator's employees.

Financial control on-the-spot/On-the-spot verification includes:

- administrative verification of expenditures/accounting documents under EUR 5,000 on a representative sample of expenditures;
- verification of delivery of co-financed goods, works and services performed;
- verification of accuracy of accounting in relation to the project;
- verification of settlement of supplied goods, works and services in the accounting of the Project Promote;
- verification of publicity;
- verification of indicators.

The aim of the Financial control on-the-spot/on-the-spot verification is to verify the actual delivery of goods, actual execution of works and services declared in the accounting documents and supporting documentation and indicators declared in PIR. It is executed on the place where the Project Promoter keeps the accounting documents and supporting documentation and if necessary on the place of physical execution of activities.

The planned execution of Financial control on-the-spot is announced to the Project Promoter via e-mail at least 5 working days prior to its start. In the notice, the Programme Operator shall inform the Project Promoter on the subject of Financial control on-the-spot, the relevant legislative, of the likely duration of the Financial control on-the-spot, as well as on the obligations of Project Promoter.

After every Financial control on-the-spot the Programme Operator will elaborate the Report or if there has been deficiencies a Draft Report and deliver it to the Project Promoter.

## 11 CHANGES IN THE PROJECT

Changes in the project are divided into essential changes, non-essential changes and observed changes.

### 11.1 Essential change in the project

**An essential change in the project shall mean such a change in the approved grant application which, if approved by the Programme Operator, necessitates changes in the provisions of the project contract in the form of an amendment to the project contract.**

Essential changes will include, without limitation:

- a) change of the project implementation time,
- b) change of the project grant and the co-financing,
- c) change of the project outcomes and indicators,
- d) a substantial change in the financial plan,
- e) change of the Project Promoter's project account,
- f) change of the Project Promoter's or project partner's legal form,
- g) other changes relating to the partnership,
- h) changes relating to the result of public procurement,
- i) change of the Project Promoter's VAT status,
- j) other changes affecting the text of the project contract.

The Project Promoter is obliged to request the Programme Operator to approve an essential change. The Project Promoter shall send to the Programme Operator a request for essential change signed by legal representative of the Project Promoter/project coordinator accompanied by complete documentation in electronic form on email address stated in the Article 20 of this Guide. The Programme Operator reserves the right to assess whether it is essential change in the project or other type of change.

An essential change must be properly justified and their implementation will be subject of decision by the Programme Operator. The Programme Operator may approve or reject the essential change proposal submitted by the Project Promoter, or order a project modification. If the Project Promoter proposes a project modification that affects also the project partners, written consent of the partners will be required.

The Programme Operator shall decide on the essential change (approving or rejecting it) within thirty (30) working days of the day on which complete documentation concerning the request for the approval of an essential change was delivered. Complete documentation concerning the request for essential change means all supporting documents accompanying such request or supporting documents additionally requested by the Programme Operator, including documents from third persons as the Programme Operator may deem relevant for its decision. In the event that the essential change is approved, the Programme Operator shall send to the Project Promoter a draft amendment to the Project Contract to incorporate the required project change. The Project Promoter is obliged to sign the amendment and send it back to the Programme Operator within fifteen (15) working days of the day of its delivery, unless the Programme Operator determines a different time. Within the time period for approval of essential change, the project grant payments, as well as the approval of the interim project report currently submitted to the Programme Operator **are automatically suspended.**

If the Project Promoter implements an essential change in the project without the prior written approval by the Programme Operator or before the effective date of the amendment to the Project Contract, such conduct by the Project Promoter shall be considered a breach of the conditions for

the provision of the project grant which, on its own, triggers an obligation to return the project grant or its part pursuant to Article 13.5 of the General Conditions of Contract.

### 11.2 Non-essential change in the project

A non-essential change in the project shall mean such a change in the approved grant application which does not necessitate changes the Project Contract.

**A non-essential change in the projects also requires approval of the Programme Operator, although it does not result in amendment to the Project Contract.** Non-essential change is defined as change that modifies the text stated in the grant application, but not the text of the Project Contract.

The Project Promoter is obliged to notify the Programme Operator of the implementation of a non-essential change electronically via email address stated in the Article 20 of this Guide without any delay, however, no later than within five (5) working days of the date of its execution, and to submit documents concerning its implementation, including the project application form amended in that part to which the non-essential change applies. The notification shall be signed by the legal representative of the Project Promoter/project coordinator.

The Project Promoter is obliged to request the Programme Operator to approve a non-essential change, if it involves:

- a) change of the project budget, except change stated in the Article 11.3, letter a,
- b) change of the procurement method in respect of a particular expenditure,
- c) change of the names of project outcomes or indicators,
- d) change of the time schedule of the implementation of the project activities, in the case of a change of more than three (3) months against planned implementation of the activity set in the grant application.

Ad **a)** in the case that during the project implementation arises justified need of an expenditure that was not indicated in the project budget (in the grant application) it is a non-essential change that requires prior approval of the Programme Operator.

The Project Promoter shall send to the Programme Operator a request for non-essential change signed by legal representative of the Project Promoter/project coordinator accompanied by complete documentation in electronic form on email address stated in the Article 20 of this Guide.

The Programme Operator shall decide on the essential change (approving or rejecting it) within fifteen (15) working days of the day on which complete documentation concerning the request for the approval of a non-essential change was delivered. Complete documentation concerning the request for essential change means all supporting documents accompanying such request or supporting documents additionally requested by the Programme Operator, including documents from third persons as the Programme Operator may deem relevant for its decision.

Within the time period for approval of a non-essential change, the project grant payments, as well as the approval of the interim project report currently submitted to the Programme Operator **may be suspended**.

The Programme Operator shall assign a new version number to the grant application form following the approval of the non-essential change or after such change was communicated by the Project Promoter to the Programme Operator and the Project Promoter shall be obliged to implement the project in accordance with the amended project application.

If the Project Promoter implements a non-essential change in the project, the implementation of which requires a prior written approval by the Programme Operator pursuant to the Project Contract

or the Implementation Rules, such conduct by the Project Promoter shall be considered a breach of the conditions for the provision of the project grant which, on its own, triggers an obligation to return the project grant or portion thereof pursuant to Article 13.5 of the General Conditions of Contract.

### 11.3 Observed change in the project

An observed change in the project shall mean a **change in the approved grant application, which the Programme Operator makes by itself or which is communicated to the Programme Operator through the Interim Project Report, and which does not constitute an essential change or a non-essential change** (see Articles 11.1 and 11.2).

An observed change shall mean, in particular:

- a) reduction of the unit asset price, transfers between individual budget headings or between budget headings and project outcomes up to 15% of the total eligible expenditure of the project,
- b) change in the reporting periods,
- c) minor increase in indicators,
- d) change of the time schedule of the implementation of the project activities, in the case of a change of less than three (3) months (including) against planned implementation of the activity set in the grant application.

In the case of an observed change incurred by the Project Promoter, it shall be duly justified in the Project Interim Report. An observed change is approved by approval of the Project Interim Report by the Programme Operator. The Programme Operator reserves the right to disapprove an observed change.

## 12 ASSET FUNDED BY THE PROJECT GRANT

### 12.1 Obligations of the Project Promoter and partner financed by the asset purchased from the project grant

The Project Promoter is required throughout the validity and effectiveness of project contract to ensure that assets wholly or partially purchased or recovered from the project grant shall be:

- a) used primarily for the purpose of the project and for the achievement and maintenance of project objectives and outcomes in accordance with the Project Contract,
- b) kept in a good and working condition.

**The Project Promoter is required** throughout the validity and effectiveness of project contract to ensure that ownership of the asset was not wholly or partly purchased and/or recovered from project grant funds, has not been transferred to another person, was not leased to another person, or in any way encumbered in favour of another person, except Programme Operator, unless the Project Contract specify otherwise. **The Project Promoter shall ensure** that the asset which is wholly or partly recovered from the project grant funds or asset necessary to achieve project outcomes and indicators, which the Project Promoter or partner has in lease or sublease, remained in his lease or sublease throughout the whole validity and effectiveness of the project contract, unless the Project Contract specify otherwise.

If the Project Promoter violates obligations under the Article 12.1, it will be considered as a breach of the terms of providing project grant from the Project Promoter's side, the violation which is



associated with the obligation to repay the project grant or its part in accordance with Article 13.5 of the General Conditions of Contract. The Programme Operator may exempt the Project Promoter from the obligation under the Article 12.1 in relation to specific assets if the Project Promoter believes, with the regard to all relevant circumstances, that the continued use of this equipment with respect to the overall design goals will not serve to any economic benefit. The exemption shall be communicated to the Project Promoter in written form.

According to the Project Contract, the assets purchased or recovered from the project grant are also regarded as assets whose depreciation has been paid in whole or in part by the project grant in accordance with the Implementation Rules.

## 13 PROPERTY INSURANCE

Throughout the validity and effectiveness of project contract, the Project Promoter is required to insure any assets that were wholly or partially purchased or recovered from the project grant funds against damage, destruction, loss, theft or other injury at least to the value of its costs. Such insurance must be obtained immediately after the acquisition or recovery of the asset.

The Project Promoter will not be required to obtain an insurance cover for such assets purchased from the project grant funds whose unit value is lower than EUR 5,000 and the total value of all such assets is lower than 3 % of the project grant amount or EUR 25,000, whichever is lower, unless the Project Contract stipulates otherwise. Further, the Project Promoter will not be required to obtain an insurance cover for such assets whose useful life is shorter than one year, unless the Project Contract stipulates otherwise. However, if any damage, destruction, loss, theft or other injury occurs in respect of such assets, the Project Promoter will be required to adequately substitute such assets from its additional own funds.

The Project Promoter has to notify the Programme Operator about each claim on property wholly or partly acquired and/or recovered from the project grant according to the Project Contract, no later than 5 working days from its inception and, at the same time, inform the Programme Operator about payment and amount of insurance claims from the insurance event stated in the preceding sentence. The Project Promoter is also obliged to notify any change of insurance contract the Programme Operator.

## 14 IRREGULARITIES

### 14.1 Occurrence of an irregularity

Irregularity is defined as any infringement of the legal framework of EEA FM which affects or prejudices any stage of the implementation of the Financial Mechanism, including without limitation the implementation and/or the budget of any programme, project or other activities financed by EEA FM, for instance by unjustified or disproportionate expenditure, or by reducing or losing revenue under the programme and/or the project. **For the purposes of this Guide a reference to irregularity includes also suspected irregularity.** An irregularity in the project also occurs upon the infringement by the Project Promoter and/or its partner of the provisions in the Implementation Rules, the provisions of the Project.

The Programme Operator reserves the right to assess whether the infringement pursuant to previous paragraph prejudices or affects the implementation of the EEA FM, in particular the implementation and/or budget of the project or the Programme. This shall be without prejudice to the right of other authorised entity to identify an irregularity during the control of the project.

**The Project Promoter shall immediately, but not later than 5 working days notify the Programme Operator in writing** (on email address stated in the Article 20 of this Guide) **of any irregularities or suspicions of irregularities**, and shall provide the Programme Operator with assistance in remedying and communicating them to the competent authorities. The Project Promoter shall submit to the Programme Operator all documents relating to an irregularity or a suspicion of irregularity.

The Project Promoter understands that the Programme Operator is required, under the EEA FM Legal Framework and the Implementation Rules, to provide any information relating to an irregularity and a suspicion of irregularity to the National Focal Point/Financial Mechanism Committee or other authorised person and grants consent to the provision of such information.

The occurrence of any irregularity or suspicion of irregularity is deemed to constitute such a breach of conditions for the provision of the EEA FM Legal Framework and Implementation Rules which, on its own, triggers the obligation to reimburse the provided project grant or its part regardless of whether the occurrence of such irregularity was caused by an act or omission on the part of the Project Promoter or partner.

In the event that an irregularity occurs in a project, the Programme Operator shall be authorised, depending on the type and gravity of such irregularity, to:

- a) request the Project Promoter to remedy, within a reasonable period, the irregular situation or irregularity; and/or
- b) request the Project Promoter to adopt other appropriate measures to remedy the irregular situation or irregularity; and/or
- c) determine the financial correction and to request the Project Promoter to return the provided project grant or its part.

Where the Project Promoter fails to remedy, following the delivery of the request referred to in letters a) and b), the irregular situation or the causes of the occurrence of an irregularity, or fails to ensure the adoption of the required measure, the Programme Operator shall be authorised to determine the financial correction (see Article 14.4.2) and request the Project Promoter to return the provided project grant or its part.

An irregularity shall be deemed remedied by the Project Promoter only if the Project Promoter has rectified the irregular situation or removed the causes of the occurrence of an irregularity and/or if any claims of the Programme Operator or the Slovak Republic arising in connection with the occurrence of an irregularity or a suspicion of irregularity have been satisfied by the Project Promoter

The following, in particular, will be treated as irregularities:

1. irregularities that involve allegations of an act or omission which constitutes a criminal offence under the national legislation, such as corruption, fraud, bribery or embezzlement;
2. irregularities that indicate the presence of serious mismanagement affecting the use of the financial contribution from the EEA FM;
3. irregularities that pose an immediate threat to the successful completion of the project, due to the amounts in proportion to the total project cost, their gravity or any other reason;
4. irregularities that have been the subject of a primary administrative or judicial finding;
5. irregularities that consist solely in the failure to implement a project, in whole or in part, owing to the bankruptcy of the Project Promoter;

6. irregularities that brought to the attention of the Programme Operator, National Focal Point or Certifying authority by the Project Promoter voluntarily and before detection by any of them, whether before or after the payment of the project grant related to that irregularity;
7. Irregularities that are detected and corrected by the Programme Operator, National Focal Point or Certifying authority before and/or after the payment to the Project Promote;
8. irregularities preceding a bankruptcy.

Where the project grant is paid through advance payments, the above categorisation of irregularities will mean that any expenditure that was paid by the Project Promoter or the project partner from the project grant and then classified by an audit body as ineligible will constitute an irregularity.

#### **14.2 Infringement of financial discipline**

Since the funds of the Financial Mechanism and the state budget of the SR are public funds within the meaning of the Act No. 523/2004 on the Budget Rules of Public Administration (hereinafter „Budget Rules Act“), said Act applies to the use of those funds. The funds of the Financial Mechanism and the state budget of the SR are public funds until the instance of their end use; end use means a payment made by the Project Promoter or a project partner to a supplier, contractor or employee. In other words, the transfer of an advance payment to the Project Promoter or a project partner does not constitute end use of the public funds and the Project Promoter and the project partner are contractually committed to use the project grant in compliance with the Budget Rules Act.

The Programme Operator, the Project Promoter and the project partner is required to provide mutual assistance to each other in order to address any infringement on financial discipline in such manner that the Programme Operator/NFP is not made to request the competent Government Audit Office to initiate administrative proceedings.

If the Programme Operator does not reach satisfactory resolution of an irregularity, i.e. fails to recover the funds to be repaid by the Project Promoter, the Programme Operator will file a petition to initiate administrative proceedings with the competent Government Audit Office.

#### Pursuant to the Budget Rules Act, the following will constitute infringement on financial discipline:

- a) provision or use of public funds that is contrary to their designated purpose,
- b) provision or use of public funds beyond the appropriate scope of authority, resulting in an increased withdrawal of public funds,
- c) a failure to pay a designated or prescribed amount to a public administration entity within the designated or prescribed time limit,
- d) a failure to transfer revenue from public funds to the budget of a public administration entity under the Act or a special law,
- e) not respecting a time limit designated or prescribed for the use of public funds,
- f) acting beyond the scope of authorised assumption of liabilities under Section 19 (5) of the Act,
- g) facilitating unjust enrichment through a financial benefit gained from public funds,
- h) acting in conflict with Sections 15 thru 18 of the Act,
- i) using public funds to finance, establish or set up a legal entity in conflict with this Act or special laws,
- j) uneconomic, ineffective and inefficient use of public funds,
- k) non-respecting the designated or prescribed method of management of public funds,
- l) transfer of an advance payment from public funds in conflict with this Act or the established conditions for provision of public funds,
- m) breach of the rules and conditions for provision of funds from the public administration budget to public administration entities,
- n) breach of the rules and conditions under which public funds were provided.

### 14.3 Relation between an irregularity and infringement of financial discipline

As a general rule, any irregularity constitutes at the same time infringement on financial discipline, and vice versa. This is to ensure that the Programme Operator is able to identify the conduct of a particular entity as an irregularity only on the basis of legal grounds, including without limitation the legislation in force and the project contract. If an entity commits, for instance, a breach of the project contract, such conduct will amount to, at least, breach of the rules and conditions under which public funds were provided.

Therefore, in addition to its explicit connection with the project contract, an irregularity is also connected with infringement on financial discipline, i.e. the procedures provided for in the Budget Rules Act and the Act on Financial Control.

The Financial Control Act allows to not initiate administrative proceedings against the subject of control (the Project Promoter or the partner) in certain cases, provided that such entity must remedy the unlawful situation. This means that the Programme Operator as an entity authorised to carry out controls and audits is also required to take all necessary action to ensure that the unlawful situation be remedied, for instance, by recovering the ineligible expenditure from the Project Promoter

### 14.4 Addressing irregularities

An irregularity with or without a financial impact may be addressed in two ways:

1. By taking action to remedy the unlawful situation without recovery of funds or imposition of a financial correction.
2. By imposing a financial correction.

#### 14.4.1 Action to remedy the unlawful situation

The possibility of remedying an unlawful situation without recovery of funds or imposition of a financial correction means that the entity which committed the irregularity identified is able to remedy the unlawful situation without a financial impact of the matter on the project.

A typical example of such option is a single failure of the Project Promoter or the project partner consisting in improperly accounting for certain expenditure

#### 14.4.2 Financial Correction

The Programme Operator, as well as other authorised entity, shall be authorised to determine the financial correction within the project also in the case of a suspicion of irregularity

Pursuant to the Regulation, any repayment of funds will entail a reduction of the project grant to the extent the expenditure concerned was funded from an advance payment. **A financial correction consists in repayment of the disbursed project grant, whether in whole or in part, and reduction of the awarded project grant by the ineligible part.** Where the final project report has already been approved, the project grant will not be reduced and the Programme Operator will instead impose the obligation of repayment of the whole project grant or a portion of it. Where FPrR has not yet been approved, the Programme Operator will reduce the project grant, request the Project Promoter to repay the whole project grant or a portion of it, and the Project Promoter will be obligated to finance the completion of the initially intended scope of the project from its additional own funds. The spending of such additional own funds will constitute ineligible expenditure of the project.

**If the project grant is reduced, the Project Promoter or the project partner will not be allowed to reuse the funds for the project.** The financial correction will be determined as a percentage of the project grant, up to 100 % of the project grant. **The imposition of financial correction will imply reduction of the project co-financing, i.e. the amount of the total eligible project expenditure will be reduced.**

The Programme Operator will notify the Project Promoter of the intended financial correction by a letter. The Programme Operator will state the reasons for the intended financial correction and grant to the Project Promoter a time limit of thirty working days for the submission of its statement. When the statement has been delivered, or failed to be delivered within the designated time limit, the Programme Operator, in coordination with the NFP, will decide on the financial correction.

The decision on financial correction will be accompanied by a request for repayment of the funds within thirty (30) working days from the delivery of the request to the Project Promoter. If the Project Promoter fails to repay the funds to the account specified in the request within the designated time limit, the Programme Operator will satisfy its claim by calling on a guarantee, or initiate administrative proceedings through a Government Audit Office.

If the financial correction, or an aggregate amount of all financial corrections, does not exceed EUR 3,000, this time limit shall be reduced to fifteen (15) working days. After the expiry of the time limit granted to the Project Promoter to provide an opinion, the Programme Operator shall determine the final amount of the financial correction following an agreement with the NFP/FMC, where relevant. The same procedure shall be applied if the financial correction within a project is set by other authorised entity on grounds of the occurrence of an irregularity or a suspicion of irregularity. The Project Promoter shall return the project grant to the Programme Operator in the amount, in a manner and within the time limit referred to in Article 13.5 of the GCC, unless the request for reimbursement stipulates a different time limit

**In the event that the aggregate amount of the financial correction or financial corrections determined in a project exceeds EUR 3,000, the Programme Operator and Project Promoter shall conclude an amendment to the Project Contract for the purpose of modifying the maximum amount of the total eligible.**

**If the aggregate amount of the financial correction or financial corrections determined in a project does not exceed EUR 3,000, the Programme Operator and Project Promoter shall not conclude an amendment to this Contract** in order to modify the maximum amount of the total eligible expenditure per project, but instead the Programme Operator shall communicate to the Project Promoter the actual amount of the total eligible expenditure, i.e., including the actual amount of the project co-financing and the actual amount of the project grant which the Programme Operator is to provide to the Project Promoter for the implementation of the project.

The below is a list of the cases when the Programme Operator will make a financial correction and the corresponding amounts of the financial correction:

Description of irregularity	Amount of financial correction
The Project Promoter failed to submit a complete PIR for two consecutive reporting periods	Up to 100% of the project grant
Fictive accounting documents (i.e. accounting documents for payment for goods, services or works that were not supplied),	100% of the project grant
Falsified documents (i.e. accounting documents issued by a fictive supplier)	100% of the project grant
Falsified account statements, customs documents, certificates and other supporting documents	100% of the project grant
False bank accounts	100% of the project grant
False identity of an economic operator	100% of the project grant
Accounting documents issued and paid in duplicate	100% of the project grant
Reverse financial flows between the Project Promoter and a supplier/contractor	100% of the project grant
Fraudulent transfer of funds to an improper account	100% of the project grant
Declaration of fictive losses or damages	100% of the project grant

Description of irregularity	Amount of financial correction
Manipulation of the results of an audit of documents	100% of the project grant
Manipulation of the results of an on-the-spot verification	100% of the project grant
Change of the legal form of the Project Promoter or a project partner during the term of the project contract owing to which the entity concerned would not qualify as an eligible applicant for the call	Up to 100% of the project grant disbursed or awarded to the entity concerned
Persons signed on the attendance sheet were demonstrably not present at the event	Up to 100% of the project grant
Other conduct by which the Project Promoter or a project partner seriously breached the project contract and thus caused harm to the reputation of the EEA Grants and Norway Grants, including without limitation suspected offence of bribery, acceptance of a bribe, fraud, subvention fraud or any other offence where reasonable ground exists to believe that they were committed by statutory representatives of the Project Promoter or the partner, or other persons involved in the management of the project.	Up to 100% of the project grant
The project outcomes are not available to the target groups as foreseen in the project contract	Up to the amount of related expenditures
The Project Promoter or a project partner have failed or will fail to implement the project in the manner described in the project application	Up to the amount of related expenditures,
The expenditure declared under the project was financed from other public funds (e.g. the structural funds, the Cohesion fund, other funds of the EU, etc.)	Up to the amount of related expenditures, at least 25% of the project grant awarded to the entity concerned
The Project Promoter has seriously neglected its obligations and thereby caused harm to the reputation of the EEA/Norway Grants	At least 25% of the project grant, up to 100% of the project grant
The conditions of co-financing were not respected	Up to the amount of co-financing
Substantial matters affecting the implementation or sustainability of the project were not reported to the Programme Operator	At least 25% of the project grant, up to 100% of the project grant
Equipment purchased from the project grant has not been used for the purposes of the project	Up to the amount of related expenditures
Assets actually supplied differ from those invoiced	Up to the amount of related expenditures
The Programme Operator or another audit body was not duly allowed to carry out control, or documentation was not submitted at the request of the Programme Operator or another audit body	Up to the amount of related expenditures, at least 15% of the project grant
An employer did not notify establishment of an employment relationship in conformity with regulation	Up to the amount of related expenditures
An employer did not pay statutory contributions or tax for an employee	Up to the amount of related expenditures
An employer entered into a relationship with an employee aimed at evading the obligation to pay statutory contributions	Up to the amount of related expenditures
Accounting documents with overstated amounts were issued	Up to the amount of related expenditures, at least 10% of the project grant
An employment relationship was actually established after the time when its establishment was declared by the Project Promoter	Up to the amount of related expenditures, at least 5% of the project grant
Rebates and discounts were not included in accounting documents	Up to the amount of related expenditures, at least 3% of the project grant
Expenditure was not recorded in the Project Promoter's accounting records	Up to the amount of related expenditures, at least 3% of the

Description of irregularity	Amount of financial correction
	project grant
Ineligible expenditure other than involving conduct by which the Project Promoter or a project partner materially breached the project contract and thereby caused harm to the reputation of the EEA Grants/Norway Grants, including without limitation suspected offence of bribery, acceptance of a bribe, fraud, subvention fraud or any other offence where reasonable ground exists to believe that they were committed by statutory representatives of the Project Promoter or the partner, or other persons involved in the management of the project.	Up to the amount of related expenditures
Other material breach on the part of a project partner without financial participation	Up to the amount of related expenditures do 15 % of the project grant

Financial corrections according to this table will be cumulated and may multiply in case of recurring irregularities up to 100 % of the project grant as the maximum. **In justified cases**, particularly if the Project Promoter demonstrates that the irregularity was not caused directly by fault or with knowledge of the Project Promoter or any of its project partners, **the financial correction may be reduced, subject to consent of NFP.**

#### 14.4.2.1 Financial correction for irregularities in public procurement

In addition to the above rules, the following rules will apply to irregularities in public procurement:

The percentage of financial correction for identified irregularities in public procurement will be determined according to the Commission decision on Financial Correction Guideline.

Determination of the amount of financial correction:

- The correction will be based on the value of the contract, or the portion of it claimed from EEA FM;
- Where the irregularity cannot be unambiguously classified to a particular type of irregularity according to the Commission decision on Financial Correction Guideline, the correction will be determined on the basis of a type that is closest to the irregularity identified;
- Financial corrections for infringements of the Public Procurement Act will not be cumulated and where more than one irregularity was identified, the amount of correction will be determined on the basis of the highest identified irregularity (however, a correction for an irregularity in public procurement will be cumulated with corrections for other types of irregularities in the project implementation).

## 15 TRANSFER OF INTEREST INCOME FROM THE PROJECT

If the project account represents **interest-bearing** account, the Project Promoter is obliged to declare the income from interest generated on the bank account from provided project grant for reporting period from 01. 01. to 31. 12. 20xx.

Income earned according to the abovementioned paragraph shall be transferred by the Project Promoter to the designated bank account of the Programme Operator **not later than 15 January of the year following the year in which the income was generated**. At the same time the Project Promoter shall inform the Programme Operator the income was transferred. Return of interest income from the project is announced by the Project Promoter to the Programme Operator electronically by sending a Notice of settlement of financial relations, which creates an annexed to Guidelines of the Ministry of Finance of the Slovak Republic no. 1/2012-U to the forms used in the EEA Financial Mechanism and the Norwegian Financial Mechanism for programming the period 2009 – 2014<sup>10</sup>. The Notice shall include a copy of the bank statement proving the disbursement of actual payment. A copy of the bank statement must be certified by the signature of the legal representative of the Project Promoter /project coordinator and by stamp of the Project Promoter's organization.

### Requisites of the bank transfer:

- The Project Promoter transfers the interest income via bank transfer in due time,
- The Project Promoter shall state in the transfer variable symbol resulting from the project number: number of the measure, number of the call, and the last three digits of the project number. *Example: Variable symbol for project number SK06 - IV - 01-005 will be 401005.*
- In the box-entry information for the receiver, the Project Promoter shall state following: Interest for 20xx

If the project account does not represent interest-bearing account, the Project Promoter has to submit an affidavit on the application of non-interest bearing account to the Programme Operator. Affidavit must be certified by the signature of the legal representative of the Project Promoter/project coordinator and by stamp of the Project Promoter's organizations. Required documents shall be submitted by the Project Promoter to the Programme Operator electronically when the first PIR is submitted to the email address of the Programme Operator stated in Article 20 of this Guide.

If the Project Promoter will not return the interest income in due time, the Programme Operator will proceed just as in the case of return of the project grant or its part (according to paragraph 13.5 of the General Conductions of Contract).

If the partnership agreement provides the obligation to transfer the interest income generated from the project grant to the Project Promoter, the Project Promoter is obliged to transfer it to the Programme Operator in the manner and time specified in this Article.

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<sup>10</sup> <http://www.mfsr.sk/Default.aspx?CatID=7980>



## 16 PUBLICITY

The Project Promoter is obliged to implement the measures defined in:

- publicity plan, as approved in the grant application (relevant parts of the Project description),
- the Project Contract (mainly in the Grant Offer Letter, which constitutes Annex 1 to the Project Contract), the EEA FM Legal Framework and the Implementation Rules.

The Project Promoter and partner shall ensure that the information and publicity measures are implemented in accordance with the Information and publicity requirements, which constitutes Annex 4 to the Regulation and Communication manual, issued by FMO:

- <http://eeagrants.org/Results-data/Results-overview/Documents/Legal-documents/Regulations-with-annexes/EEA-Grants-2009-2014>
- <http://eeagrants.org/Media/Files/Toolbox/Communication-manual>

The Project Promoter is required to adequately raise the visibility of the contribution from the EEA FM and the state budget of the Slovak Republic in its reports and publications on the outcomes of the project, or other public announcements related to the project. The minimum requirements for the promotion is that all the documents prepared by the Project Promoter and the location of the project will have to be branded with the EEA FM logo and the national emblem of the Slovak Republic and with distinct, clear and legible notice in the wording: **"This project is co-funded by the EEA Grants and the state budget of the Slovak Republic from the EEA Scholarship Program Slovakia."**

The primary element of immediate visual identification is **the EEA FM logo<sup>11</sup>**. Any financial support from the financial mechanism shall be visualized by usage of the logo. **It is forbidden to use logos in a different colour and shape as the officially defined and prescribed form by the Communication and design manual issued by the Financial Mechanism Office in Brussels.**

Current logo shall be used on all printed or electronic documents relating to the implementation of the project. Prescribed form of logo and all the technical details of the logo are available on the web site of the Financial Mechanism Office in Brussels:

- <http://eeagrants.org/Results-data/Results-overview/Documents/Logos>

**The Project Promoter shall ensure that any notifications or publication of the Project Promoter or project partner, regardless of its form or medium, including the internet indicated that it constitutes opinions of the author (Project Promoter and/or partner) and grant providers are not liable for any information contained in the document.**

## 17 ACCOUNTING AND EXCHANGE RATES

**The most important principle, which the Project Promoter and the partner have to respect, is the condition to carry separate accounting of project's expenditure from other expenditure of the Project Promoter and partner.** In practice, to ensure separate accounting for the project through specific analytical accounts or appropriate accounting codes, so they enable the provision of outputs of accounting and data processing for the project. Project promoters and Slovak project partners are

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<sup>11</sup> EEA Scholarship Programme Slovakia in not Fond NIL, therefore it is not correct to use the logo of the Fond NIL in relation to the implementation of the project.

required to keep accounting in accordance with the Slovak legislation in the area of accounting. Foreign partners from donor states are required to keep accounts in accordance with their national legislation.

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

### 17.1 Accounting Documents

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

### 17.2 Types of Accounting Documents

The following types of accounting document in particular will be used as proofs of eligible expenditure:

- a) supplier invoices containing a schedule of the goods, works or services supplied and specifically indicating the relation of the expenditure to the project,
- b) receipts from electronic cash registers,
- c) a receipt and/or expenditure cash voucher specifically indicating the relation of the expenditures to the project,
- d) internal accounting documents,
- e) contracts and other documents to the extent they meet the requirement laid down in § 10 (1) letters a) to f) of the Act on Accounting.

Accounting documents must include a text from which it can be clearly identified that the expenditure is related to the implementation of a project supported by a project grant. **Where the Project Promoter or the project partner does not claim the whole amount of the accounting document for reimbursement from the project grant, or if the supplier/contractor failed to make an appropriate indication in the accounting document, the Project Promoter will be required to add the relevant information to the accounting document, including the amount claimed for reimbursement from the project grant in LAD.**

### 17.3 Exchange rates

#### **Project Promoter and Partner from Slovakia**

Expenditures in foreign currencies shall be converted to euro using reference exchange rate determined and announced by the ECB or NBS on the day preceding the transaction date. In case of non-cash payments from the accounts held in euro, the amount in EUR listed on bank statement shall be used.

#### **Partner from Donor States**

Where the foreign partner keeps its accounting records in a currency other than the euro, such partner is required to state expenditures in the list of accounting documents in euro, i.e. convert each expenditure shown in the list of accounting documents to the euro using the exchange rate announced by the European Commission in the month when the expenditure was accounted for in the partner's accounting records.

## 18 ARCHIVING

**The Project Promoter shall ensure retention and protection of the accounting documents and/or evidence and all other documentation related to the implementation of the project in accordance with national legislation, but at least for three years since the approval of the Final Programme Report.** The Project Promoter shall ensure at all the subjects involved in the project implementation (Project Promoter and partner) access to the documentation required under Article 8.8 of the Regulation during validity and effectiveness of the project contract.

## 19 PUBLIC PROCUREMENT

Only expenditures incurred on the acquisition of goods or receipt of services in accordance with the procedures in this Guide, including the correct and appropriate procedures for the procurement of goods and services may be recognized as eligible.

### 19.1 Public procurement of entities with their seat in Slovak Republic

**A Project Promoter and a project partner are required to follow the Act of the National Council of the Slovak Republic on Public Procurement, as amended.** Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

#### 19.1.1 Contract with value over 20 000 EUR

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

#### 19.1.2 Special provisions for low-value contracts

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

#### 19.1.3 Low-value contracts up to 20 000 EUR

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

#### 19.1.4 Public procurements carried out before the conclusion of the project contract

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

### 19.2 Verification of the public procurement carried out by other entitled authorities

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

### 19.3 Common mistakes in public procurement

Further provisions for the Project Promoter/partner from the Slovak Republic are stated in the Slovak version of the Guide for project promoter and project partner.

## 19.4 Public procurement of entities with their seat in Donor State

Project partners with the seat in one of the Donor States shall conduct its procurement in accordance with national and European (if applicable) public procurement law. Such project partners are bound by the Partnership Agreement to submit a report by an independent and certified auditor, certifying the compliance of the claimed costs from the project with the national rules of public procurement, i.e. follow the Article 7.13 of the Regulation. As well, project partners are bound by the Partnership Agreement to inform the Programme Operator about any breach of relevant national legislation identified by national inspection authority, if those findings are directly or indirectly related to the funds spent on project implementation.

## 20 CONTACTS

Postal address of the Programme Operator:

SAIA, n. o.  
Sasinkova 10  
812 02 Bratislava  
Slovakia

When sending the Project Interim Report by post, please state on the envelope/parcel the following titles: “EEA Scholarship Programme Slovakia”, “Project Interim Report” and project number.

Email address of the Programme Operator (for submission of the Project Interim Report, as well as for other inquiries, suggestions, notes and requests of the Project Promoter/partner): [spehp@saia.sk](mailto:spehp@saia.sk)

When sending the Project Interim Report in electronic form, please state the subject of the email “PIR” and number of project.

Telephone contact:

- tel.: +421 2 / 59 30 47 00, 59 30 47 11
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In case of questions you can contact employees of the Programme operator at:

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## LIST OF ANNEXES:

**Annex No. 1** – Statement of Work

**Annex No. 2** – Methodology for flat rate calculation