MODEL BONUS GRANT AGREEMENT

PROJECT: FULL NAME AND ACRONYM

CONTRACTING PARTIES:

The BONUS-Baltic Organisations’ Network for Funding Science EEIG (hereinafter referred to as "the BONUS EEIG") established in Hakaniemenranta 6, 00530 Helsinki, Finland, with legal registration number: 2112932-1, represented for the purposes of signature of this Grant Agreement by the Executive Director, Dr. Kaisa Kononen and Financial Manager, (tbc) of the BONUS EEIG.

of the one part,

and (name of the Coordinator and legal form) (national registration number if any), established in (full address city/state/province/country), represented by (name of legal representative), (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, the Beneficiary acting as coordinator of the consortium (the "Coordinator"),

of the other part,

Hereinafter jointly referred as "the Parties"

HAVE AGREED to the following terms and conditions including those in the following Annexes, which form an integral part of this Grant Agreement.

Annex I - Approved project proposal including research plan and budget
Annex II - General conditions
Annex III - Form A - Accession of Beneficiaries to the Grant Agreement
Annex IV - Form B - Request for accession form for new Beneficiaries to the Grant Agreement
Annex V - Form C - Financial reporting forms (BONUS Cost Statement)
Annex VI - Form D - Terms of reference for the certificate on the financial report

ARTICLE 1 – ACCESSION TO THE GRANT AGREEMENT OF THE OTHER BENEFICIARIES
1. The Coordinator shall endeavour to ensure that each legal entity identified below accedes to this Grant Agreement as a Beneficiary, assuming the rights and obligations established by the Grant Agreement with effect from the date on which the Grant Agreement enters into force, by signing Form A in three originals, countersigned by the Coordinator.

- (full name and legal form of the Beneficiary) (national registration number if any) established in (full address city/state/province/country), represented by (name of legal representative) function), [and/or (name of legal representative), (function)], or her/his/their authorised representative "Beneficiary"),

All the Beneficiaries together form the consortium (the "Consortium").

2. The Coordinator shall send to the BONUS EEIG one duly completed and signed Form A per Beneficiary at the latest 45 calendar days after the entry into force of the Grant Agreement. The two remaining signed originals shall be kept, one by the Coordinator to be made available for consultation at the request of any Beneficiary, and the other by the Beneficiary concerned.

3. Should any legal entity identified above, fail or refuse to accede to the Grant Agreement within the deadline established in the previous paragraph, the BONUS EEIG is no longer bound by their offers to these legal entity(ies). The Consortium may propose to the BONUS EEIG, within the time-limit to be fixed by the latter, appropriate solutions to ensure the implementation of the project. The procedure established in Annex II for amendments to this Grant Agreement will apply.

4. The Beneficiaries have concluded a consortium agreement (the "Consortium Agreement") regarding the internal organisation of the Consortium prior to the signature of this Grant Agreement, subject to notification of to the BONUS EEIG. The Consortium Agreement governs inter alia the following:

i. the internal organisation of the Consortium including the decision making procedures;

ii. rules on dissemination and use, and access rights;

iii. the distribution of the financial contribution of BONUS in compliance with this Grant Agreement (Art II.6);

iv. the settlement of internal disputes, including cases of abuse of power;

v. liability, indemnification and confidentiality arrangements between the Beneficiaries.

ARTICLE 2 – SCOPE

The BONUS EEIG has decided to grant, under the conditions laid down in this Grant Agreement, a financial contribution for the implementation of the project as specified in Annex I, called [project title (Acronym)] (the "project") within the framework of the BONUS JOINT BALTIC SEA RESEARCH

ARTICLE 3 – DURATION AND START DATE OF THE PROJECT

The duration of the project shall be [insert number] months. Start date of the project shall be [insert date].

ARTICLE 4 – REPORTING PERIODS AND LANGUAGE OF REPORTS

The project is divided into annual reporting periods as follows:

- P1: from month 1 to month 12
- P2: from month 13 to month 24
- P3: from month 25 to month 36
- P4: from month 37 to month 48

Any report and deliverable, when appropriate, required by this Grant Agreement shall be in English.

ARTICLE 5 – MAXIMUM FINANCIAL CONTRIBUTION BY THE BONUS EEIG AND NATIONAL FUNDING INSTITUTIONS

1. The project is co-financed by the BONUS EEIG and the National Funding Institutions. The EU financial contribution from the BONUS EEIG is a contribution from the European Union research budget with the aim to implement the 7th Research Framework Programme (FP7).

The maximum total financial contribution to the project shall be EUR [insert amount] ([insert amount in words] EURO). Of this, the maximum of EU funds paid by the BONUS EEIG under this Grant Agreement shall be [insert amount] ([insert amount in words] EURO).

2. Details of the financial contribution of the BONUS EEIG are contained in Annex I to this Grant Agreement which includes:

   − a table showing the estimated breakdown of budget and financial contribution of the EU funds from the BONUS EEIG and the national contribution including provisions of in kind infrastructures free of charge per Beneficiary.

Following the prior agreement of the BONUS EEIG in consultation with National Funding Institutions Beneficiaries may transfer budget between different activities and between themselves in so far as the work is carried out as foreseen in Annex I.

3. The bank account of the Coordinator to which all payments of the financial contribution of the BONUS EEIG shall be made is:

Model BONUS grant agreement 3
Name of account holder:

Name and address of the bank:

Account reference: IBAN:

SWIFT code:

The account shall only be used to transfer payments to Beneficiaries.

The bank account shall bear interest and shall enable:

- identification of the amounts paid by the BONUS EEIG;
- identification and monitoring of operations with Beneficiaries;
- determination of the interests and other benefits yielded.

ARTICLE 6 – PRE-FINANCING

A pre-financing of EUR [insert amount] ([insert amount in words] EURO) shall be paid to the Coordinator in accordance with Article II.6.

ARTICLE 7 – SPECIAL CLAUSES

[The following special clauses apply to this Grant Agreement:]

1. Beneficiaries with costs incurred in relation to the project but no BONUS financial contribution

   1. Costs incurred by the following beneficiary(ies) shall not be taken into consideration for determining the financial contribution of the BONUS EEIG:

      ---[name of beneficiary]

2. Part B of Annex II, with the exception of Articles II.21, II.23.2 and II.23.3 and any other financial and payment provisions contained in the grant agreement do not apply to beneficiary(ies) mentioned in the previous paragraph. This(ese) beneficiary(ies) need not submit, in particular, the reports mentioned in Article II.4.1.c) and II.4.4 and [is] [are] not subject to financial audits and controls referred to in Article II.20.

3. When providing services or resources to another beneficiary, this(ese) beneficiary(ies) shall be considered as (a) third party(ies) for the purpose of the application of Article II.3 paragraphs c) and d).

2. Third parties linked to a Beneficiary

   1. The following third parties are linked to [name of the beneficiary]
---[name of the legal entity]

---[name of the legal entity]

2. This beneficiary may charge costs incurred by the above-mentioned third parties in carrying out the project, in accordance with the provisions of the grant agreement. These contributions shall not be considered as receipts of the project.

The third parties shall identify the costs to the project mutatis mutandis in accordance with the provisions of part B of Annex II of the grant agreement. Each third party shall charge its eligible costs in accordance with the principles established in Articles II.14 and II.15. The beneficiary shall provide to the BONUS EEIG:

- an individual financial statement from each third party in the format specified in Annex V. These costs shall not be included in the beneficiary’s Annex V
- certificates on the financial statements from each third party in accordance with the relevant provisions of this grant agreement.
- a summary financial report consolidating the sum of the eligible costs borne by the third parties and the beneficiary, as stated in their individual financial statements, shall be appended to the beneficiary’s Form C.

When submitting reports referred to in Article II.4, the consortium shall identify work performed and resources deployed by each third party linking it to the corresponding beneficiary.

3. The eligibility of the third parties’ costs charged by the beneficiary is subject to controls and audits of the third parties, in accordance with Articles II.20 and 21.

4. The beneficiary shall retain sole responsibility towards the BONUS EEIG and the other beneficiaries for the third parties linked to it. The beneficiary shall ensure that the third parties abide by the provisions of the grant agreement.

3. Late payment of the pre-financing

Notwithstanding the provisions of Article 6, the pre-financing shall be paid not earlier than 45 days before the start date of the project.

ARTICLE 8 – COMMUNICATION

1. Any communication or request concerning the Grant Agreement shall identify the Grant Agreement number, the nature and details of the request or communication and be submitted to the following addresses:

For the BONUS EEIG:

BONUS EEIG
For the Coordinator: [name of contact person]
[contact address]

2. For information or documents to be transferred by electronic means, the following addresses shall be used:

For the BONUS EEIG: bonus@bonuseeig.fi
For the Coordinator:

ARTICLE 9 – APPLICABLE LAW AND COMPETENT COURT

This Grant Agreement shall be governed by the terms of this Grant Agreement, the BONUS Decision 862/2010/EU, the European acts related to FP7, the Financial Regulation applicable to the general budget and its implementing rules and other European Union law and, on a subsidiary basis, by the law of Finland.

The competent court to hear any dispute between the BONUS EEIG and any Beneficiary concerning the interpretation, application or validity of this Grant Agreement is the District Court of Helsinki.

The Beneficiary is aware, and agrees, that the European Commission may take a decision to impose pecuniary obligations, which shall be enforceable in accordance with Article 299 of the Treaty on the Functioning of the European Union.

Notwithstanding the Commission’s right to directly adopt the recovery decisions referred to in the previous paragraph, the General Court, or on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute regarding the validity of the decision mentioned in the third paragraph.

ARTICLE 10 – ENTRY INTO FORCE OF THE GRANT AGREEMENT

This Grant Agreement shall enter into force after its signature by the Coordinator and the BONUS EEIG, on the day of the last signature.

ARTICLE 11 PREVAILING ORDER OF THE ANNEXES

The prevailing order shall be:

1. This Grant Agreement
2. General conditions (Annex II)

3. Approved project proposal including research plan and budget (Annex I)

Done in two originals in English.

For the Coordinator done at [insert place]:

Name of the legal entity:

Name of legal representative:

Stamp of the organisation (if applicable):

Signature of legal representative:

Date:

For the BONUS EEIG done at Helsinki, Finland:

Name of legal representative:

Kaisa Kononen (TBC)

Executive Director Financial Manager

Signature of legal representative:

Date:
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II.1. Definitions

1. "Access Rights" means licenses and user rights to Foreground or Background;

2. "Affiliated Entity" means any legal entity that is under the direct or indirect control of a Beneficiary, or under the same direct or indirect control as the Beneficiary, control taking any of the following forms:
   (a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;
   (b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

3. "Associated Country" means a third country which is party to an international agreement with the European Union under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme;

4. "Background" means information which is held by Beneficiaries prior to their accession to this Agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to this Agreement, and which is needed for carrying out the project or for using Foreground;

5. “Beneficiary” means a legal entity within the consortium concerned with this Grant Agreement who may or not receive a financial contribution from the BONUS EEIG;

6. "Dissemination" means the disclosure of Foreground by any appropriate means other than that resulting from the formalities for protecting it, and including the publication of Foreground in any medium;

7. "Experimental Development": The acquiring, combining, shaping and using of existing scientific, technological, business and other relevant knowledge and skills for the purpose of producing plans and arrangements or designs for new, altered or improved products, processes or services (including the creation of a commercially usable prototype or pilot projects under certain conditions);

8. "Fair and Reasonable Conditions" means appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the Foreground or Background to which access is requested and/or the scope, duration or other characteristics of the use envisaged;

9. "Foreground" means the results, including information, whether or not they can be protected, which are generated under the project. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;

10. "Fundamental Research": Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical application or use in view;
11. "Industrial Research": Planned research or critical investigation aimed at the acquisition of new knowledge or skills for developing new products, processes or services or bringing about a significant improvement in existing products, processes or services;

12. "International European Interest Organisation" means an international organization, the majority of whose members are Member States or Associated Countries and whose principal objective of treaty is to promote scientific and technological cooperation;

13. "International Organisation" is an intergovernmental organization, other than the European Union, that has a legal personality under the international public law as well as any specialised agency set up by such an international organization;

14. "Irregularity" means any infringement of a provision of law or any breach of obligation resulting from an act or omission by a Beneficiary which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it through unjustified expenditure;

15. "Large Enterprise” should be an enterprise which cannot be qualified as an SME according the criteria established in the EU Recommendation 2003/361/EC in the version of 6 May 2003;

16. "Medium-sized Enterprise" is an enterprise which employs fewer than 250 persons and which have either an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not exceeding EUR 43 million.;

17. “National Funding Institution” means an institution providing national contribution to the BONUS calls;

18. "Participating States" means Denmark, Germany, Estonia, Latvia, Lithuania, Poland, Finland and Sweden;

19. "Public Body" means any legal entity established as such by national law, and international organisations;

20. "Research Organisation" means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives;

21. "Small Enterprise" is defined as an enterprise which employs fewer than 50 persons and whose annual turnover or annual balance sheet total does not exceed EUR 10 million;

22. "Third Country" means a State that is not a Member State or Associated Country;

23. "Use" means the direct or indirect utilisation of Foreground in further research activities other than those covered by the project, or for developing, creating and marketing a product or process, or for creating and providing a service.
Part A IMPLEMENTATION OF THE PROJECT

SECTION 1 - GENERAL PRINCIPLES

II.2. Organisation of the Consortium and role of Coordinator

1. All the Beneficiaries together form the Consortium. Beneficiaries are represented towards the BONUS EEIG by the Coordinator, who shall be the intermediary for any communication between the BONUS EEIG and any Beneficiary, with the exceptions foreseen in this Grant Agreement.

2. The financial contribution of the BONUS EEIG to the project shall be paid to the Coordinator who receives it on behalf of the Beneficiaries entitled to receive a financial contribution. The payment of the financial contribution of the BONUS EEIG to the Coordinator discharges the BONUS EEIG from its obligation on payments to the Beneficiaries.

3. The Coordinator shall:

a) administer the financial contribution of the BONUS EEIG regarding its allocation between Beneficiaries entitled to receive a financial contribution, in accordance with this Grant Agreement. The Coordinator shall ensure that all the appropriate payments are made to the Beneficiaries without unjustified delay;

b) keep the records and financial accounts making it possible to determine at any time what portion of the financial contribution of the BONUS EEIG has been paid to each Beneficiary for the purposes of the project;

c) hold all payments received from the BONUS EEIG within an interest-bearing Euro account exclusively for handling the project. These funds shall not be disbursed for use within the project until the conditions defined in point d) have been met. Any interest accrued in the account of the Coordinator shall be assigned to the project within the ceiling of the amount of the total BONUS EEIG contribution;

d) disburse the funds received from the BONUS EEIG to a Beneficiary for use within the project (including by the Coordinator) on the cumulative fulfillment of the following conditions:

- The Beneficiary has acceded to this Grant Agreement.
- The Beneficiary (including the Coordinator) must have formally concluded a legal arrangement with a national funding institutions from their Participating State to provide the matched national contributions over the life time of the project.
- The Beneficiary established in a Member State or an Associated country that is not a Participating State has demonstrated that it has sufficient funds to support its participation during the life time of the project.
- The amount released towards a Beneficiary (including the Coordinator) in a Participating State does not exceed the proportion of the BONUS EEIG and national contributions laid down in Article 5 of this agreement.
- The national cash contribution is proven (via copies of bank statements) to have been paid by the National Funding Institutions or via the BONUS EEIG to the Beneficiary concerned. National cash contributions that have been made in currencies other than Euros shall be calculated in
Euros on the basis of the exchange rate published by the European Central Bank on the date the national contribution was received by the Beneficiary.

e) provide the BONUS EEIG with reasonable assurance on the correctness of the distribution of funding to the Beneficiaries;

f) inform the BONUS EEIG of the distribution of the financial contribution of the BONUS EEIG and the date of transfers to the Beneficiaries, when required by this Grant Agreement or by the BONUS EEIG;

g) review the reports to verify consistency with the project tasks before transmitting them to the BONUS EEIG;

h) monitor the compliance by Beneficiaries with their obligations under this Grant Agreement; The Coordinator shall notify immediately the BONUS EEIG on any case of non-compliance.

The Coordinator is not allowed to subcontract the above-mentioned tasks.

4. Beneficiaries shall fulfill the following obligations as a Consortium:

a) provide all detailed data requested by the BONUS EEIG for the purposes of the proper administration of this project;

b) carry out the project jointly and severally vis-à-vis the BONUS EEIG and taking all necessary and reasonable measures to ensure that the project is carried out in accordance with the terms and conditions of this Grant Agreement;

c) make appropriate internal arrangements consistent with the provisions of this Grant Agreement to ensure the efficient implementation of the project. These internal arrangements shall take the form of a written consortium agreement;

d) engage, whenever appropriate, with actors beyond the research community and with the public in order to foster dialogue and debate on the research agenda, on research results and on related scientific issues with policy makers and civil society; create synergies with education at all levels and conduct activities promoting the socioeconomic impact of the research;

e) allow the representatives of the BONUS EEIG and/or National Funding Institutions to take part in meetings concerning the project.

II.3. Specific performance obligations of each Beneficiary

Each Beneficiary shall:

a) carry out the work to be performed, as identified in Annex I; If clearly identified within Annex I, the Beneficiary may use resources that are made available by third parties in order to carry out its part of the work or may call upon third parties to carry out certain elements where it is necessary for the implementation of the project and according to the conditions established in Article II.7 or any special clause in Article 7;
b) ensure that any agreement or contract related to the project, entered into force between the Beneficiary and any third party contain provisions that this third party, including the auditor providing the certificate on the financial report, shall have no rights vis-à-vis the BONUS EEIG under this Grant Agreement;

c) ensure that the rights of the BONUS EEIG, the Commission and the Court of Auditors to carry out audits are extended to the right to carry out any such audit or control on any third party whose costs are reimbursed in full or in part by the financial contribution of the BONUS EEIG or National Funding Institutions on the same terms and conditions as those indicated in this Grant Agreement;

d) ensure that the conditions applicable to it under Articles II.4.4, II.10, II.11, II.12, II.13 and II.14 are also applicable to any third party whose costs are claimed under the project according to the provisions of this Grant Agreement;

e) ensure that the tasks assigned to it are correctly and timely performed;

f) inform the other Beneficiaries and the BONUS EEIG through the Coordinator in due time of:

- the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;
- any event which might affect the implementation of the project and the rights of the BONUS EEIG;
- any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control and, in particular, any change of status as regards secondary and higher education establishments undertaking research, Research Organisations, Small Enterprises, Medium-sized Enterprises;
- any circumstance affecting the conditions of participation referred to in the BONUS Decision, in the FP7 Rules for Participation, the EU Financial Regulation and its Implementing Rules or of any requirements of the Grant Agreement, especially if and when any eligibility criteria cease(s) to be met during the duration of the project.

g) provide the BONUS EEIG, National Funding Institutions, the Commission including the European Anti-Fraud Office (OLAF) and Court of Auditors directly with all information requested in the framework of controls and audits;

h) take part in meetings concerning the supervision, monitoring and evaluation of the project which are relevant to it;

i) report to the BONUS EEIG on the use of in-kind infrastructure contributions;

j) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this Grant Agreement and inform Coordinator, the BONUS EEIG and respective National Funding Institutions of any unavoidable obligations which may arise during the duration of the Grant Agreement which may have implications for any of its obligations under the Grant Agreement;

k) ensure that it complies with the provisions of the state aid framework;

l) carry out the project in accordance with fundamental ethical principles;
m) endeavour to promote equal opportunities between men and women in the implementation of the project;

n) have regard to the general principles of the Commission Recommendation of 11 March 2005 on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers\(^1\), in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the project;

o) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the project;

p) avoid any double funding, in particular, from other EU sources, such as FP7;

q) allow the BONUS EEIG publish at least the following on its internet site:

- the name and identification of the project or grant;
- the size of the grant and total value of the project;
- an abstract of the envisaged work;
- the name and address of all the Beneficiaries
- project fact sheets regularly updated during the life of the project to give account of the progress and achieved results;
- a publishable final summary of the results and work undertaken.

The Beneficiary understands and accepts that Regulation (EC) No 1049/2001 of the European Parliament, and of the Council of 30 May 2001 regarding access to European Parliament, Council and Commission documents shall apply to its documents held by the BONUS EEIG.

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\(^1\) OJ L075, 22.03.2005, p.67
SECTION 2 – REPORTING AND PAYMENTS

II.4. Reports and deliverables

1. The Consortium shall submit a periodic report to the BONUS EEIG for each reporting period within 60 days after the end of each respective period. The report includes all the incurred expenditure for the respective reporting period including the expenditure relating to the National Funding Institution’s contribution. The report shall comprise:

a) an overview, including a publishable summary, of the progress of work towards the objectives of the project, including achievements and attainment of any milestones and deliverables identified in Annex I. This report should include the differences between work expected to be carried out in accordance with Annex I and that actually carried out;

b) an explanation of the use of the resources;

c) a financial report, from each Beneficiary together with a summary financial report from the Coordinator consolidating the claimed contribution of the BONUS EEIG of all the Beneficiaries in an aggregate form, based on the information provided in financial report by each Beneficiary; and

d) a report on use, as indicated in the approved proposal, of infrastructure free of charge services according to a form provided by the BONUS EEIG.

2. The Consortium shall submit a final report to the BONUS EEIG, within 60 days after the end of the project. The report shall comprise:

a) a final publishable summary report covering results, conclusions and socio-economic impact of the project;

b) a report covering the wider societal implications of the project, including gender equality actions, ethical issues, efforts to involve other actors and spread awareness as well as the plan for the use and dissemination of Foreground.

3. The Coordinator shall submit a report on the distribution of the financial contribution of the BONUS EEIG between Beneficiaries and a report regarding the payment of the National Funding Institution’s contribution. This report must be submitted 30 days after receipt of the final payment.

4. A certificate on the financial report shall be submitted for claims of interim payments and final payments when the amount of the financial contribution of the BONUS EEIG claimed by a Beneficiary under the form of reimbursement of costs is equal to or superior to EUR 375 000, when cumulated with all previous payments for which a certificate on the financial report has not been submitted. This certificate must be forwarded in the form of a detailed description verified as factual by its external auditor.

Certificates on the financial reports shall certify that the costs claimed and the receipts declared during the period for which they are provided, as well as the declaration of the interest yielded by the pre-financing meet the conditions required by this Grant Agreement. Where third parties’ costs are claimed under the Grant Agreement, such costs shall be certified in accordance with the
provisions of this Article. The auditor shall include in its certificate that no conflict of interest exists between him/herself and the Beneficiary in establishing this certificate.

Certificates on the financial reports shall be prepared and certified by an external auditor.

Each Beneficiary is free to choose any qualified external auditor, including its usual external auditor, provided that the cumulative following requirements are met:

i) the auditor must be independent from the Beneficiary;

ii) the auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation implementing the 8th Council Directive on statutory audits of annual accounts and consolidated accounts or any European Union legislation replacing this Directive. Secondary and higher education establishments and Research Organisations may opt for a competent public officer to provide their certificate on the financial report, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the independence of that officer, in particular regarding the preparation of the financial report, can be ensured. Certificates by external auditors according to this Article do not affect the liability of Beneficiaries nor the rights of the BONUS EEIG, European Commission, arising from this Grant Agreement.

5. The Consortium shall transmit the reports, information and other deliverables through the Coordinator to the BONUS EEIG. The Coordinator shall compile these into integrated and consistent reports for the project. The scientific reports and deliverables shall be submitted electronically via the BONUS EPSS. The financial reports shall be submitted to the BONUS EEIG on paper and in electronic format. In addition, the financial report, must be signed by the authorised person(s) within the Beneficiary's organisation, and the certificates on the financial report must be signed by an authorised person of the auditing entity, and the originals shall be sent to the BONUS EEIG. Any other information shall be submitted in electronic format unless otherwise requested.

6. The layout and content of the reports shall conform to the instructions and guidance notes established by the BONUS EEIG.

7. The publishable parts of the reports submitted to the BONUS EEIG should be of a suitable quality to enable direct publication. Their submission to the BONUS EEIG in publishable form indicates that no confidential material is included therein.

8. Deliverables identified in Annex I shall be submitted as foreseen therein.

9. The BONUS EEIG may be assisted by external experts in the analysis and evaluation of the reports and deliverables.

II.5. Approval of reports and deliverables, time-limit for payments

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1. At the end of each reporting period, the BONUS EEIG shall evaluate project reports and deliverables required by the provisions of Annex I and disburse the corresponding payments within 105 days of their receipt unless the time-limit, the payment or the project has been suspended.

2. Payments shall be made after the BONUS EEIG's approval of reports and/or deliverables and payments of the relevant National Funding Institutions' contributions. The absence of a response from the BONUS EEIG within this time-limit shall not imply its approval. The BONUS EEIG may reject reports and deliverables even after the time-limit for payment. Approval of the reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and do not imply exemption from any audit or review.

3. After reception of the reports the BONUS EEIG may after consultation with the respective National Funding Institutions:
   a) advance payment deriving from EU funds shall be cleared at the time of acceptance of the annual report based on the costs incurred for the reporting period which are accepted by the BONUS EEIG. Such clearance shall be without prejudice to adjustments following subsequent checks and audits.
   b) approve the reports and deliverables, in whole or in part or make the approval subject to certain conditions.
   c) reject the reports and deliverables by giving an appropriate justification and, if appropriate, start the procedure for termination of the Grant Agreement in whole or in part.
   d) suspend the time limit if one or more of the reports or appropriate deliverables have not been supplied, or are not complete or if some clarification or additional information is needed or there are doubts concerning the eligibility of costs claimed in the financial report and/or additional checks are being conducted. The suspension will be lifted from the date when the last report, deliverable or the additional information requested is received by the BONUS EEIG, or where the BONUS EEIG decides to proceed with an interim payment in part in accordance with paragraph 4. The BONUS EEIG shall inform respective National Funding Institutions as well as the Consortium in writing via the Coordinator of any such suspension and the conditions to be met for the lifting of the suspension. Suspension shall take effect on the date when notice is sent by the BONUS EEIG.
   e) suspend the payment at any time, in whole or in part for the amount intended for the Beneficiary(ies) concerned:
      - if the work carried out does not comply with the provisions of the Grant Agreement;
      - if a Beneficiary has to reimburse to its national state an amount unduly received as state aid;
      - if the provisions of the Grant Agreement have been infringed or if there is a suspicion or presumption thereof, in particular in the wake of any audits and checks provided for in Articles II.20 and II.21;
      - if there is a suspicion of irregularity committed by one or more Beneficiary(ies) in the performance of the Grant Agreement;
      - if there is a suspected or established irregularity committed by one or more Beneficiary(ies) in the performance of another Grant Agreement funded by the BONUS EEIG or the general budget of the European Union or by budgets managed by it. In such cases, suspension of the payments will occur where the irregularity (or suspected irregularity) is of a serious and systematic nature which is likely to affect the performance of the current Grant Agreement.
When payments to the Consortium are suspended, the Consortium shall be duly informed of the reasons why payment in whole or in part will not be made.

4. The BONUS EEIG may proceed with an interim payment in part if some reports or deliverables are not submitted as required, or only partially or conditionally approved. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.

5. Interest on late payment shall be paid to the project in the case of a late payment of the related EU funds to the BONUS EEIG. The interest shall not be treated as a receipt for the project for the purposes of determining the final grant. The suspension of the time-limit, of payment or of the project by the BONUS EEIG may not be considered as late payment.

6. At the end of the project, the BONUS EEIG may decide in coherence with the respective National Funding Institutions not to make the payment of the corresponding financial contribution of BONUS subject to one month’s written notice of non-receipt of a report, of a certificate on the financial reports or of any other project deliverable.

7. The BONUS EEIG shall inform the Coordinator of the amount of the final payment of the financial contribution of BONUS and shall justify this amount. The Coordinator shall have two months from the date of receipt to give reasons for any disagreement. After the end of this period such requests will no longer be considered and the Consortium is deemed to have accepted the BONUS EEIG’s decision. The BONUS EEIG undertakes to reply in writing within two months following the date of receipt, giving reasons for its reply. This procedure is without prejudice to the Beneficiary’s right to appeal against the BONUS EEIG’s decision.

II.6. Payment modalities

1. The BONUS EEIG shall make the following payments to the project Coordinator
   a) A single pre-financing payment paid at the start of the project;
   b) Interim payments following each reporting period;
   c) The final payment at the end of the project for the last reporting period taking account of any adjustments needed.

2. The BONUS EEIG shall pay a single pre-financing during the life time of the project. Beneficiaries shall not contribute to the Guarantee Fund established in order to manage the risk associated with non-recovery of sums due the European Union by Beneficiaries of the FP7 model grant agreement.

3. The BONUS EEIG shall pay this pre-financing to the Coordinator within 45 days after the fulfillment of the following cumulative conditions:

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3 The amount of the pre-financing payment for projects with duration of more than two reporting periods will be up to 160 % of the average EU funding per period. The amount of the pre-financing payment for projects with duration of less than two reporting periods shall be up to 80 % of the average EU funding per period.
a) The Coordinator and the BONUS EEIG have signed the Grant Agreement and the minimum number of Beneficiaries required by the call of proposal has acceded to the Grant Agreement;

b) All Beneficiaries having acceded to the Grant Agreement have signed the mandatory consortium agreement;

c) The BONUS EEIG and the National Funding Institutions from the Participating States, whose national legal entities are Beneficiaries in the Grant Agreement have formally concluded the bilateral agreements;

d) The Coordinator has notified the BONUS EEIG that:

- For those Participating States that administer their own national funding, Beneficiaries (including the Coordinator) have formally concluded contractual agreements with their National Funding Institutions to provide the required national contributions over the life time of the project. This amount shall comprise at least 80% of the total of all national cash contributions required for the project.

- Each Beneficiary established in a country other than a Member State or an associated country has demonstrated that it has sufficient funds to support its participation during the life time of the project.

4. For projects with more than one reporting period, the BONUS EEIG shall make interim payments. However the total amount of pre-financing and interim payments shall not exceed 85% of the maximum amount of EU financial contribution as defined in the Grant Agreement. After the pre-financing, the BONUS EEIG shall only make payments to the Coordinator on the basis of the amount accepted by the BONUS EEIG for each reporting period and after receipt of evidence of payment of the national contributions. Costs accepted by the BONUS EEIG within the periodic reports in relation to the pre-financings shall be cleared at the end of each year.

5. The Coordinator shall send to the BONUS EEIG copies of bank statements demonstrating the payment of national contributions to their national participants or evidence concerning the in-kind infrastructure contribution provided.

6. The final payment shall be transferred after the approval of the final reports by the BONUS EEIG and consists of the difference between the EU contribution due minus the amounts already paid. The total payment shall however be limited to the maximum EU contribution as defined in the Grant Agreement. If the total amount already paid would prove to be higher than the total accepted EU contribution, then the BONUS EEIG shall recover the difference.

7. The Coordinator will hold all payments received from the BONUS EEIG within an interest-bearing Euro account exclusively for handling the project. Any interest accrued in the account of the Coordinator shall be assigned to the project within the ceiling of the amount of the total EU contribution. These funds may only be disbursed to a Beneficiary for use within the project (including by the Coordinator) on the cumulative fulfillment of the following conditions mentioned in Article II.2.3 d)

8. Payments by the BONUS EEIG shall be made in Euro.
9. Costs shall be reported in Euro. Beneficiaries with accounts in currencies other than the Euro shall report costs by using, either the conversion rate published by the European Central Bank that would have applied on the date that the actual costs were incurred, or its rate applicable on the first day of the month following the end of the reporting period. Beneficiaries with accounts in Euro shall convert costs incurred in other currencies according to their usual accounting practice.

10. The bank account mentioned in Article 5.3 shall allow that the financial contribution of BONUS and related interest are identified. Otherwise, the accounting methods of the Beneficiaries or intermediaries must make it possible to identify the financial contribution of BONUS and the interest or other benefits yielded.

11. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.

12. Payments by the BONUS EEIG shall be deemed to be effected on the date when they are debited to the BONUS EEIG’s account.
SECTION 3 – IMPLEMENTATION

II.7. Subcontracting

1. A subcontractor is a third party which has entered into an agreement on business conditions with one or more Beneficiaries, in order to carry out part of the work of the project without the direct supervision of the Beneficiary and without a relationship of subordination. Where the Beneficiary enters into a subcontract to carry out some parts of the tasks related to the project, it remains bound by its obligations to the BONUS EEIG and the other Beneficiaries under the Grant Agreement and retains sole responsibility for carrying out the project and for compliance with the provisions of the Grant Agreement. Provisions of this Grant Agreement applying to subcontractors shall also apply to external auditors who certify financial report.

2. Where it is necessary for the Beneficiaries to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:

   − subcontracts may only cover the execution of a limited part of the project;
   − resource to the award of subcontracts must be duly justified in Annex I having regard to the nature of the project and what is necessary for its implementation;
   − recourse to the award of subcontracts by a Beneficiary may not affect the rights and obligations of the Beneficiaries regarding Background and Foreground;
   − annex I must indicate the tasks to be subcontracted and an estimation of the costs.

   Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment. Subcontracts concluded on the basis of framework contracts entered into force between a Beneficiary and a subcontractor, prior to the beginning of the project in accordance with the Beneficiary's usual management principles may also be accepted.

3. Beneficiaries may use external support services for assistance with minor tasks that do not represent per se project tasks as identified in Annex I.

II.8. Suspension of the project

1. The Coordinator shall immediately inform the BONUS EEIG and respective National Funding Institutions of any event affecting or delaying the implementation of the project.

2. The Coordinator can propose to suspend the whole or part of the project if force majeure or exceptional circumstances render its execution excessively difficult or uneconomic. The Coordinator must inform the BONUS EEIG and respective National Funding Institutions without delay of such circumstances, including full justification and information related to the event, as well as an estimation of the date when the work on the project will begin again.

3. The BONUS EEIG may suspend after consultation of the respective National Funding Institutions the whole or part of the project where it considers that the Consortium is not fulfilling its obligations according to this Grant Agreement. The Coordinator shall be informed without delay of the
justification for such an event and the conditions necessary to reinstate the work again. The Coordinator shall inform the other Beneficiaries. This suspension takes effect 10 days after the receipt of the notification by the Coordinator.

4. During the period of suspension, no costs may be charged to the project for carrying out any part of the project that has been suspended.

5. The suspension of the whole or part of the project may be lifted once the parties to the Grant Agreement have agreed on the continuation of the project and, as appropriate, any necessary modification, including extension of the duration of the project, has been identified by means of a written amendment.

II.9. Confidentiality

1. During the project and for a period of five years after its completion or any other period thereafter as established in the Consortium Agreement, the Beneficiaries undertake to preserve the confidentiality of any data, documents or other material that is identified as confidential in relation to the execution of the project (“confidential information”). The BONUS EEIG undertakes to preserve the confidentiality of “confidential information” until five years after the completion of the project. Upon a duly substantiated request by a Beneficiary, the BONUS EEIG may agree to extend this period regarding specific confidential information.

Where confidential information was communicated orally, its confidential character must be confirmed by the disclosing party in writing within 15 days after disclosure.

2. Paragraph 1 no longer applies where:

- the confidential information becomes publicly available by means other than a breach of confidentiality obligations;
- the disclosing party subsequently informs the recipient that the confidential information is no longer confidential;
- the confidential information is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality;
- the disclosure or communication of the confidential information is foreseen by other provisions of this Grant Agreement or the Consortium Agreement;
- the disclosure or communication of confidential information is required by the national law of one of the Beneficiaries and this exception to the confidentiality requirement is foreseen in the Consortium Agreement.

3. The Beneficiaries undertake to use such confidential information only in relation to the execution of the project unless otherwise agreed with the disclosing party.

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4 As certain national laws (for example regarding freedom of information) may provide that proprietary information made available under a confidentiality requirement must nevertheless be made public in case access is requested, the Beneficiaries should inform each other of the existence of such national laws and make appropriate arrangements in the Consortium Agreement.
4. Notwithstanding the preceding paragraphs, the treatment of data, documents or other material which are classified (“Classified Information”) or subject to security restrictions or export- or transfer-control, must follow the applicable rules established by the relevant national and [European Community and European Union] legislation for such information, including the BONUS EEIG’s internal rules for handling Classified Information\(^5\). Where a Beneficiary is established in a third country, any security agreements between that third country and the European Union shall also apply.

II.10. Communication of data for evaluation, impact assessment and standardisation purposes

1. Beneficiaries shall provide, at the request of the BONUS EEIG or National Funding Institutions, the data necessary for:

   - the continuous and systematic review of BONUS;
   - the evaluation and impact assessment of activities of BONUS, including the use and Dissemination of Foreground.

Such data may be requested throughout the duration of the project and up to five years after the end of the project. The data collected may be used by the BONUS EEIG in its own evaluations but will not be published other than on an anonymous basis.

2. Without prejudice to the provisions regarding protection of Foreground and confidentiality, the Beneficiaries shall, where appropriate, during the project and for two years following its end, inform the BONUS EEIG and the European standardisation bodies about Foreground which may contribute to the preparation of European or international standards.

II.11. Information to be provided to Participating States, other Member States or Associated Countries

1. The BONUS EEIG shall, upon request, make available to any Member State or Associated country any useful information in its possession on Foreground, provided that the following cumulative conditions are met:

   - the information concerned is relevant to public policy;
   - the Beneficiaries have not provided sound and sufficient reasons for withholding the information concerned;
   - the applicable European Union law on Classified Information does not prohibit such action.

2. The provision of information pursuant to paragraph 1 shall not transfer to the recipient any rights or obligations and the recipient shall be required to treat any such information as confidential unless it becomes duly public, or it was communicated to the BONUS EEIG without restrictions on its confidentiality.

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II.12. Information and communication

1. The Beneficiaries shall, throughout the duration of the project, take appropriate measures to engage with the public and the media about the project and to highlight the financial support of BONUS. Unless the BONUS EEIG requests otherwise, any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc), must specify that the project has received research funding from the BONUS EEIG, European Union and the respective National Funding Institutions and display the BONUS and European emblems and the logos of the National Funding Institutions. When displayed in association with a logo, the BONUS and European emblems should be given appropriate prominence. This obligation to use the BONUS and European emblems in respect of projects to which BONUS contributes implies no right of exclusive use. It is subject to general third-party use restrictions which do not permit the appropriation of the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, Beneficiaries are exempted from the obligation to obtain prior permission from the BONUS EEIG and/or European Commission to use the respective emblems. Further detailed information on the EU emblem can be found on the Europa website and about BONUS logo on the BONUS website.

Any publicity made by the Beneficiaries in respect of the project, in whatever form and on or by whatever medium, must specify that it reflects only the author’s views and that the BONUS EEIG and the European Union is not liable for any use that may be made of the information contained therein.

2. The BONUS EEIG, the European Commission and the respective National Funding Institutions shall be authorised to publish, in whatever form and on or by whatever medium, the following information:

- the name of the Beneficiaries;
- contact addresses of Beneficiaries;
- the general purpose of the project in the form of the summary provided by the Consortium;
- the amount and rate of the financial contribution, including the Participating States contribution, of BONUS foreseen for the project; after the final payment, the amount and rate of the financial contribution, including the Participating States contribution, of BONUS accepted by the BONUS EEIG;
- the estimated amount and rate of the financial contribution, including the Participating States contribution, of BONUS foreseen for each Beneficiary in the table of the estimated breakdown of budget in Annex I; after the final payment, the amount and rate of the financial contribution, including the Participating States contribution, of BONUS accepted by the BONUS EEIG for each Beneficiary;
- the geographic location of the activities carried out;
- the list of Dissemination activities and/or of patent (applications) relating to Foreground;
- the details/references and the abstracts of scientific publications relating to Foreground;
- the publishable reports submitted to it;
- in compliance with relevant third party rights, any picture or any audiovisual or web material provided to the BONUS EEIG in the framework of the project.
The Consortium shall ensure that all necessary authorisations for such reports and other dissemination material have been obtained and that the publication of the information by the BONUS EEIG does not infringe any rights of third parties. Upon a duly substantiated request by a Beneficiary, the BONUS EEIG may agree to forego such publicity if disclosure of the information indicated above would risk compromising the Beneficiary's security, academic or commercial interests.

II.13. Processing of personal data

1. All personal data contained in the Grant Agreement shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the institutions and bodies of the Union and on the free movement of such data. Such data shall be processed by the BONUS EEIG solely in connection with the implementation and follow-up of the Grant Agreement and the evaluation and impact assessment of activities of BONUS including the use and Dissemination of Foreground, without prejudice to the possibility of passing the data to the bodies in charge of a monitoring or inspection task in accordance with European Union legislation and this Grant Agreement.

2. Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the BONUS EEIG. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

3. Any Communication or request relating to the processing of personal data shall be submitted, using the address(es) for the BONUS EEIG identified in Article 8 paragraphs 1 and 2 of this GA.
Part B FINANCIAL PROVISIONS

SECTION 1 – GENERAL FINANCIAL PROVISIONS

II.14. Eligible costs of the project

1. Costs incurred for the implementation of the project shall meet the following conditions in order to be considered eligible:

   a) they must be actual;
   
   b) they must be incurred by the Beneficiary;
   
   c) they must be incurred during the duration of the project; with the exception of costs incurred in relation to final reports and reports corresponding to the last period as well as certificates on the financial reports when requested at the last period and final reviews if applicable, which may be incurred during the period of up to 60 days after the end of the project or the date of termination whichever is earlier;
   
   d) they must be determined in accordance with the usual accounting and management principles and practices of the Beneficiary. The accounting procedures used in the recording of costs and receipts shall respect the accounting rules of the State in which the Beneficiary is established. The Beneficiary’s internal accounting and auditing procedures must permit direct reconciliation of the costs and receipts declared in respect of the project with the corresponding financial reports and supporting documents;
   
   e) they must be used for the sole purpose of achieving the objectives of the project and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;
   
   f) they must be recorded in the accounts of the Beneficiary; in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
   
   g) they must be indicated in the estimated overall budget in Annex I.

Small and Medium sized Enterprises’ owners who do not receive a salary and other natural persons who do not receive a salary charge as personnel costs a flat rate based on the ones used in the People Specific Programme of the 7th Framework Programme for researchers with full social security coverage, adopted by Council Decision No 2006/973/EC, and specified in the annual Work Programme of the year of the publication of the respective BONUS call.

The value of the personal work of those Small and Medium sized Enterprises’ owners and natural persons shall be based on a flat rate to be determined by multiplying the hours worked in the project by the hourly rate to be calculated as follows:

\[
\text{Hourly rate} = \frac{\text{Annual living allowance} \times \text{Country correction coefficient}}{\text{Standard number of annual productive hours}}
\]

\[6\text{ OJ L 400, 30.12.2006, p. 272}\]
The standard number of annual productive hours is equal to 1 575. The total number of hours claimed for BONUS projects in a year cannot be higher than the standard number of productive hours per SME owner/natural person.

The value of the personal work shall be considered as direct eligible cost of the project.

2. Costs incurred by third parties in relation to resources they make available free of charge to a Beneficiary, can be declared by the Beneficiary provided they meet the conditions established in paragraphs 1 and 3, mutatis mutandis and are claimed in conformity with Article II.17.

3. Non recoverable value added tax shall be considered as an eligible cost.

4. The following costs shall be considered as non-eligible and may not be charged to the project:
   a) recoverable VAT
   b) duties
   c) interest owed
   d) provisions for possible future losses or charges
   e) exchange losses, cost related to return on capital
   f) costs declared or incurred, or reimbursed in respect of another project of the BONUS, of the Union or of Euratom or of a Member or Associated Country
   g) debt and debt service charges, excessive or reckless expenditure.

II.15. Identification of direct and indirect costs

1. Direct costs are all those eligible costs which can be attributed directly to the project and are identified by the Beneficiary as such, in accordance with its accounting principles and its usual internal rules. With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out work under the project may be charged. Such persons must:
   - be directly hired by the Beneficiary in accordance with its national legislation,
   - work under the sole technical supervision and responsibility of the latter, and
   - be remunerated in accordance with the normal practices of the Beneficiary. Costs related to parental leave for persons who are directly carrying out the project are eligible costs, in proportion to the time dedicated to the project, provided that they are mandatory under national law.

2. Indirect costs are all those eligible costs which cannot be identified by the Beneficiary 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 shall represent a fair apportionment of the overall overheads of the organisation. Indirect costs shall be calculated as 20% of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Beneficiary.
II.16. Upper funding limits

1. The Beneficiaries from the Participating States, the financial contribution of the BONUS EEIG and the Participating States contribution, may reach a maximum of 100% of the total eligible costs. This rate shall be applied for the whole duration of the project, even if these Beneficiaries change their status during the life of the project.

2. The Beneficiaries from the non-Participating EU Member States and Associated Countries, International European Interest Organisations the financial contribution of the BONUS EEIG may reach a maximum of 25 % of the total eligible costs. This rate shall be applied for the whole duration of the project, even if these Beneficiaries change their status during the life of the project.

3. Upper funding limits may be reduced to ensure compliance with state aid rules. These limits shall apply to both national and EU funding.

4. Legal entities established in other countries than EU Member States and Associated Countries as well as International Organisations are not eligible for the BONUS EEIG funding. They can be included in a BONUS project provided that the project can realistically ensure that they have the necessary resources to fully cover the costs for its participation.

5. Public entities from Participating States, other Member States and Associated Countries that are not Research Organisations must cover their own project costs.

6. Management of the Consortium activities includes:
   - maintenance of the Consortium Agreement,
   - the overall legal, ethical, financial and administrative management including, for each of the Beneficiaries, the obtaining of the certificates on the financial report and costs relating to financial audits and technical reviews,
   - any other management activities foreseen by the annexes, except coordination of research and technological development activities.

7. For training activities, the salary costs of those being trained are not eligible costs under this activity.

8. The table illustrates the maximum rates of the financial contribution of the BONUS EEIG and Participating States contribution concerning the eligible direct costs for the activities relating to the Beneficiaries below:

<table>
<thead>
<tr>
<th>Beneficiaries established in the Participating States, JRC</th>
<th>Max 100 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Organisations, secondary and higher education establishments undertaking research</td>
<td>JRC will receive only EU funding.</td>
</tr>
<tr>
<td>Small Enterprises:</td>
<td>Max 70 %</td>
</tr>
<tr>
<td>Industrial and Fundamental Research</td>
<td>Max 45 %</td>
</tr>
<tr>
<td>Experimental Development</td>
<td></td>
</tr>
</tbody>
</table>
Medium-sized Enterprises (ME):
Industrial and fundamental research
Experimental development
Max 60 %
Max 35 %

Large Enterprises (LE):
Industrial and Fundamental Research
Experimental Development
Max 50 %
Max 25 %

Beneficiaries established in EU Member States or Associated Countries other than the Participating States, International European Interest Organisations
Research Organisations, secondary and higher education establishments undertaking research
Max 25 % EU funding
Enterprises:
Industrial Research
Experimental Development
Max 12,50 % EU funding
Max 6,25 % EU funding

Funding rates may be reduced to comply with any consequent funding limitations due to EU’s state aid rules.

II.17. Receipts of the project

Receipts of the project may arise from:

a) Resources made available by third parties to the Beneficiary by means of financial transfers:
   i. shall be considered a receipt of the project if they have been contributed by the third party specifically to be used on the project;
   ii. shall not be considered a receipt of the project if their use is at the discretion of the Beneficiary's management.

b) Income generated by the project:
   i. shall be considered a receipt for the Beneficiary when generated by actions undertaken in carrying out the project and from the sale of assets purchased under the Grant Agreement up to the value of the cost initially charged to the project by the Beneficiary;
   ii. shall not be considered a receipt for the Beneficiary when generated from the use of Foreground resulting from the project.

II.18. The financial contribution of the BONUS EEIG

1. The financial contribution of the BONUS EEIG and the contribution by the Participating States to the project shall be determined by applying the upper funding limits indicated in Article II.16, per
activity and per Beneficiary to the actual eligible costs and/or to the flat rates accepted by the BONUS EEIG.

2. The financial contribution of the BONUS EEIG shall be calculated by reference to the cost of the project as a whole and its reimbursement shall be based on the accepted costs of each Beneficiary and received Participating States contribution.

3. The financial contribution of the BONUS EEIG cannot give rise to any profit for any Beneficiary. For this purpose, at the time of the submission of the last financial report, the final amount of the financial contribution of the BONUS EEIG will take into account the Participating State’s contribution from the National Funding Institution and any receipts of the project received by each Beneficiary. For each Beneficiary, the financial contribution of the BONUS EEIG cannot exceed the eligible costs minus the Participating States contribution minus the receipts for the project.

4. The total amount of payments by the BONUS EEIG shall not exceed in any circumstances the maximum amount of the financial contribution of the BONUS EEIG referred to in Article 5. Beneficiaries shall not be entitled to receive any double funding for the BONUS project activity, such as 7th Framework Programme and Structural Funds.

5. Without prejudice to the right to terminate the Grant Agreement under Article II.35, and without prejudice to the right of the BONUS EEIG to apply the penalties referred to in Articles II.22 and II.23 if the project is not implemented or is implemented poorly, partially or late, the BONUS EEIG may reduce the grant initially provided for in line with the actual implementation of the project on the terms laid down in this Grant Agreement.

6. The BONUS EEIG shall recover from the Coordinator, for each reporting period following the implementation of the agreement, the amount of interest generated when such pre-financing exceeds the amount fixed in the Financial Regulation and its Implementing Rules. The interest accrued from pre-financing shall be included in a calculation of maximum of the BONUS EEIG contribution.

7. The pre-financing of the BONUS EEIG contribution coming from the European Union and also interest yielded by this pre-financing remains the property of the European Union.

8. The Beneficiaries shall administer the BONUS contribution according to the principles of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.
SECTION 2 – RECOVERIES

II.19. Reimbursement and recoveries

1. Where an amount due to the BONUS EEIG by a Beneficiary is to be recovered after termination or completion of any Grant Agreement under BONUS, the BONUS EEIG shall request, by means of a recovery order issued against the Beneficiary concerned, the reimbursement of the amount due. If payment has not been made by the due date, sums owed to BONUS may be recovered by offsetting them against any sums it owes to the Beneficiary concerned, after informing the latter accordingly. In exceptional circumstances, justified by the necessity to safeguard the financial interests of BONUS, the BONUS EEIG may recover by offsetting before the due date of the payment.

The Beneficiary’s prior consent shall not be required.

2. If the obligation to pay the amount due is not honoured by the date set by the BONUS EEIG, the sum due shall bear interest at the rate of applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points and shall cover the period between the date set for payment, exclusive and the date on which the BONUS EEIG receives full payment of the amount owed is reimbursed in full, inclusive. Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

Bank charges occasioned by the recovery of the sums owed to the BONUS EEIG shall be borne solely by a Beneficiary.

3. Each Beneficiary receiving EU funds accepts that the European Commission may adopt a recovery decision against them for the reimbursement of an amount unduly received. Beneficiaries understand that under Article 299 of the Treaty on the Functioning of the European Union and as provided by the Financial Regulations of the European Communities, the European Commission may adopt an enforceable decision formally establishing an amount as receivable from persons other than States.
SECTION 3 – CONTROLS AND SANCTIONS

II.20. Financial audits and controls

1. The BONUS EEIG, and/or National Funding Institutions and the European Commission may, at any time during the implementation of the project and up to five years after the end of the project, arrange for financial audits of the total expenditure, including the Participating States financial contribution, to be carried out by the BONUS EEIG, by external auditors, the respective National Funding Institutions or by the European Commission services themselves including OLAF. The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the BONUS EEIG or the European Commission. Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the Grant Agreement. They shall be carried out on a confidential basis.

2. The Beneficiaries shall make available directly to the BONUS EEIG, the respective National Funding Institutions and the European Commission all detailed information and data that may be requested by the BONUS EEIG and the European Commission or any representative authorised by them, with a view to verifying that the Grant Agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete and effective.

3. The Beneficiaries shall keep the originals or, in exceptional cases, duly authenticated copies including electronic copies of all documents relating to the Grant Agreement for up to five years from the end of the project. These shall be made available to the BONUS EEIG, the respective National Funding Institutions and the European Commission where requested during any audit under the Grant Agreement.

4. In order to carry out these audits, the Beneficiaries shall ensure that the BONUS EEIG, the respective National Funding Institutions and the European Commission’s services and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the Beneficiary’s offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the project. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.

5. On the basis of the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent by the BONUS EEIG, the respective National Funding Institutions or the European Commission or its authorised representative to the Beneficiary concerned, which may make observations thereon within one month of receiving it. The BONUS EEIG, the respective National Funding Institutions and/or the European Commission may decide not to take into account observations conveyed or documents sent after that deadline. The final report shall be sent to the Beneficiary concerned within two months of expiry of the aforesaid deadline.

6. On the basis of the conclusions of the audit, the BONUS EEIG, the respective National Funding Institutions and/or the European Commission shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.
7. The European Court of Auditors shall have the same rights as the European Commission, notably right of access, for the purpose of checks and audits, without prejudice to its own rules.

8. In addition, the BONUS EEIG, the respective National Funding Institutions and/or the European Commission may carry out on-the-spot checks and inspections in accordance with national regulations as well as Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the European Commission in order to protect the Union's financial interests against fraud and other irregularities and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF) Council Regulation (Euratom) No 1074/1999 of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF).

II.21. Technical audits and reviews

1. The BONUS EEIG, the respective National Funding Institutions and/or the European Commission may initiate a technical audit or review at any time during the implementation of the project and up to up to five years after the end of the project. The aim of a technical audit or review shall be to assess the work carried out under the project over a certain period, inter alia by evaluating the project reports and deliverables relevant to the period in question. Such audits and reviews may cover scientific, technological and other aspects relating to the proper execution of the project and the Grant Agreement.

2. With respect to the Annex I, the audit or review shall objectively assess the following:

- the degree of fulfillment of the project work plan for the relevant period and of the related deliverables;
- the continued relevance of the objectives and breakthrough potential with respect to the scientific and industrial state of the art;
- the resources planned and utilised in relation to the achieved progress, in a manner consistent with the principles of economy, efficiency and effectiveness;
- the management procedures and methods of the project;
- the Beneficiaries' and any other project participants contributions and integration within the project;
- the expected potential impact in economic, competition and social terms, and the Beneficiaries' plan for the use and dissemination of Foreground.

3. Audits and reviews shall be deemed to be initiated on the date of receipt by the Beneficiary(ies) of the relevant letter sent by the BONUS EEIG and/or the European Commission.

4. Any such audit or review shall be carried out on a confidential basis.

5. The BONUS EEIG, the respective National Funding Institutions and/or the European Commission may be assisted in technical audits and reviews by external scientific or technological experts. Prior to the carrying out of the evaluation task, the BONUS EEIG, the respective National Funding Institutions and/or the European Commission shall communicate to the Beneficiaries the identity of the appointed experts. The Beneficiary(ies) shall have the right to refuse the participation of a particular external scientific or technological expert on grounds of commercial confidentiality.
6. Audits and reviews may be carried out remotely at the expert’s home or place of work or involve sessions with project representatives either at the BONUS EEIG, the respective National Funding Institutions and/or the European Commission premises or at the premises of Beneficiaries. The BONUS EEIG, the respective National Funding Institutions and/or the European Commission or the external scientific or technological expert may have access to the locations and premises where the work is being carried out, and to any document concerning the work.

7. The Beneficiaries shall make available directly to the BONUS EEIG, the respective National Funding Institutions and/or the European Commission all detailed information and data that may be requested by it or the external scientific or technological expert with a view to verifying that the project is being/has been properly implemented and performed in accordance with the provisions of this Grant Agreement.

8. A report on the outcome of the audits and reviews shall be drawn up. It shall be sent by the BONUS EEIG and/or the European Commission to the Beneficiary concerned, who may make observations thereon within one month of receiving it. The BONUS EEIG, the respective National Funding Institutions and/or the European Commission may decide not to take into account the observations conveyed after that deadline.

9. On the basis of the experts' formal recommendations the BONUS EEIG, the respective National Funding Institutions and/or the European Commission will inform the Coordinator of its decision:

- to accept or reject the deliverables;
- to allow the project to continue without modification of Annex I or with minor modifications;
- to consider that the project can only continue with major modifications;
- to initiate the termination of the Grant Agreement or of the participation of any Beneficiary according to Article II. 35;
- to issue a recovery order regarding all or part of the payments made by the BONUS EEIG, the respective National Funding Institutions and/or the European Commission and to apply any applicable sanction.

10. An ethics audit may be undertaken at the discretion of the BONUS EEIG, the respective National Funding Institutions and/or the European Commission services up to five years after the end of the project. Paragraphs 3, 4, 5, 6, 7, 8 and 9 shall apply mutatis mutandis.

II.22. Liquidated damages

1. A Beneficiary that is found to have overstated any amount and which has therefore received an unjustified financial contribution from the BONUS EEIG shall, without prejudice to any other measures provided for in this Grant Agreement, be liable to pay damages, hereinafter "liquidated damages". Liquidated damages are due in addition to the recovery of the unjustified financial contribution of the BONUS EEIG from the Beneficiary. In exceptional cases the BONUS EEIG may refrain from claiming liquidated damages.⁷

⁷ Similar provisions may be included in the agreements with the National Funding Institutions.

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2. Any amount of liquidated damages shall be proportionate to the overstated amount and the unjustified part of the financial contribution of the BONUS EEIG. The following formula shall be used to calculate liquidated damages:

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\text{Liquidated damages} = \text{unjustified financial contribution of BONUS EEIG} \times \left( \frac{\text{overstated amount}}{\text{total financial contribution of the BONUS EEIG claimed}} \right)
\]

The calculation of any liquidated damages shall only take into consideration the reporting period(s) relating to the Beneficiary’s claim for the financial contribution of the BONUS EEIG for that period. It shall not be calculated in relation to the entire financial contribution of the BONUS EEIG.

3. The BONUS EEIG shall after consultation with the European Commission and inform the Beneficiary which it considers liable to pay liquidated damages in writing of its claim by way of a registered letter with acknowledgement of receipt. The Beneficiary shall have a period of 30 days to answer the claim of the BONUS EEIG.

4. The procedure for repayment of unjustified financial contribution of the BONUS EEIG and for payment of liquidated damages will be determined in accordance with the provisions of Article II.19. Liquidated damages will be deducted from any further payment or will be subject to recovery by the BONUS EEIG.

5. The BONUS EEIG shall after consultation with the European Commission be entitled to liquidated damages in respect of any overstated amount which comes to light after the end of the project, in accordance with the provisions of paragraphs 1 to 4.

II.23. Financial penalties

1. A Beneficiary that has been guilty of making false declarations or has been found to have seriously failed to meet its obligations under this Grant Agreement shall be liable to financial penalties between 2% and 10% of the value of the financial contribution of the BONUS EEIG received by that Beneficiary. The rate may be increased to between 4% and 20% in the event of a repeated offence within five years following the first infringement.

2. In the cases of paragraph 1, Beneficiaries shall be excluded from all BONUS and European Union grants for a maximum of five years from the date the infringement has been established.

3. The provisions in this Article shall be without prejudice to any administrative or financial sanction that may be imposed on any defaulting Beneficiary in accordance with the Financial Regulation\(^8\) or to any other civil remedy to which the BONUS EEIG, the European Union, National Funding Institutions or any other Beneficiary may be entitled. Furthermore, these provisions shall not preclude any criminal proceedings which may be initiated by the Member States’ authorities.

Part C INTELLECTUAL PROPERTY RIGHTS, USE AND DISSEMINATION

SECTION 1 – FOREGROUND

II.24. Ownership

1. Foreground shall be the property of the Beneficiary carrying out the work generating that Foreground.

2. Where several Beneficiaries have jointly carried out work generating Foreground and where their respective share of the work cannot be ascertained, they shall have joint ownership of such Foreground. They shall establish an agreement regarding the allocation and terms of exercising that joint ownership. However, where no joint ownership agreement has yet been concluded, each of the joint owners shall be entitled to grant non-exclusive licenses to third parties, without any right to sub-license, subject to the following conditions:

   a) at least 45 days prior notice must be given to the other joint owner(s); and

   b) fair and reasonable compensation must be provided to the other joint owner(s).

3. If employees or other personnel working for a Beneficiary are entitled to claim rights to Foreground, the Beneficiary shall ensure that it is possible to exercise those rights in a manner compatible with its obligations under this Grant Agreement.

II.25. Transfer

1. Where a Beneficiary transfers ownership of Foreground, it shall pass on its obligations regarding that Foreground to the assignee including the obligation to pass those obligations on to any subsequent assignee.

2. Subject to its obligations concerning confidentiality such as in the framework of a merger or an acquisition of an important part of its assets, where a Beneficiary is required to pass on its obligations to provide access rights, it shall give at least 45 days prior notice to the other Beneficiaries of the envisaged transfer, together with sufficient information concerning the envisaged new owner of the Foreground to permit the other Beneficiaries to exercise their access rights. However, the Beneficiaries may, by written agreement, agree on a different time-limit or waive their right to prior notice in the case of transfers of ownership from one Beneficiary to a specifically identified third party.

3. Following notification in accordance with paragraph 2, any other Beneficiary may object within 30 days of the notification or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its access rights. Where any of the other

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9 The joint owners may of course agree not to continue with joint ownership but decide on an alternative regime (for example, a single owner with access rights for the other Beneficiaries that transferred their ownership share).
Beneficiaries demonstrate that their access rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between the Beneficiaries concerned.

4. Beneficiaries shall not be entitled to transfer ownership of foreground to third parties established in Third Countries.

II.26. Protection

1. Where Foreground is capable of industrial or commercial application, its owner shall provide for its adequate and effective protection, having due regard to its legitimate interests and the legitimate interests, particularly the commercial interests, of the other Beneficiaries.

Where a Beneficiary which is not the owner of the Foreground invokes its legitimate interest, it must, in any given instance, show that it would suffer disproportionately great harm.

2. Patent applications relating to Foreground, filed by or on behalf of a Beneficiary must include the following statement to indicate that said Foreground was generated with the assistance of financial support from BONUS:

The work leading to this invention has received funding from BONUS, the joint Baltic research and development programme, co-financed by the European Union’s Seventh Framework Programme (2007-2013) under Grant Agreement n° [xxxxxx] and the relevant National Funding Institution(s)

Furthermore, all patent applications relating to Foreground, including sufficient details/references to enable the BONUS EEIG to trace the patent (application). Any such filing arising after the final report must be notified to the BONUS EEIG including the same details/references.

3. Where the Foreground is capable of industrial or commercial application and its owner does not protect it and does not transfer it to another Beneficiary, an affiliated entity established in a Member State or Associated country or any other third party established in a Member State or Associated country along with the associated obligations in accordance with Article II.25, no dissemination activities relating to that Foreground may take place before the BONUS EEIG has been informed. The BONUS EEIG must be informed at the latest 45 days prior to the intended dissemination activity. In such cases, the BONUS EEIG may, with the consent of the Beneficiary concerned, assume ownership of that Foreground and adopt measures for its adequate and effective protection. The Beneficiary concerned may refuse consent only if it can demonstrate that its legitimate interests would suffer disproportionately great harm. In the event the BONUS EEIG assumes ownership, it shall take on the obligations regarding the granting of access rights.

II.27. Use

1. The Beneficiaries shall use the Foreground which they own or ensure that it is used.
2. The Beneficiaries shall report to the BONUS EEIG on the expected use to be made of Foreground in the plan for the use and dissemination of Foreground. The information must be sufficiently detailed to permit the BONUS EEIG and/or the European Commission to carry out any related audit.

II.28. Dissemination

1. Each Beneficiary shall ensure that the Foreground of which it has ownership is disseminated as swiftly as possible. If it fails to do so, the BONUS EEIG may disseminate that Foreground.

2. Dissemination activities shall be compatible with the protection of intellectual property rights, confidentiality obligations and the legitimate interests of the owner(s) of the Foreground.

3. Data generated in project shall be made available to the scientific community. This includes storing the original data in common data bases such as SeaDataNet, Pangea, ICES and publishing the research results as far as possible in ‘Open Access’ literature. Existing standards for data collection and management shall be used.

   All data shall be accompanied by contextual information or documentation (metadata) to provide a secondary user with any necessary detail on the origin or manipulation of the data in order to prevent any misuse, misinterpretation or confusion. The metadata shall be submitted to the BONUS EEIG as an obligatory part of the projects’ annual reporting. The BONUS EEIG shall collect and maintain metadata information on all data collected within projects. The metadata will be open on the public BONUS portal site within 45 days after the delivery.

4. At least 45 days prior notice of any Dissemination activity shall be given to the other Beneficiaries concerned, including sufficient information concerning the planned Dissemination activity and the data envisaged to be disseminated.

   Following notification, any of those Beneficiaries may object within 30 day of the notification to the envisaged dissemination activity if it considers that its legitimate interests in relation to its Foreground or Background could suffer disproportionately great harm. In such cases, the Dissemination activity may not take place unless appropriate steps are taken to safeguard these legitimate interests. The Beneficiaries may agree in writing on different time-limits to those set out in this paragraph, which may include a deadline for determining the appropriate steps to be taken.

5. All publications or any other Dissemination relating to Foreground shall include the following statement to indicate that said Foreground was generated with the assistance of financial support from BONUS.

   The research leading to these results has received funding from BONUS, the joint Baltic research and development programme, co-financed by the European Union’s Seventh Framework Programme (2007-2013) under Grant Agreement n° [xxxxxx] and all the relevant National Funding Institution(s).

   Any Dissemination activity shall be reported in the plan for the use and Dissemination of Foreground, including sufficient details/references to enable the BONUS EEIG to trace the activity. With regard to scientific publications relating to Foreground published before or after the final report, such details/references of the publication must be provided to the BONUS EEIG at the latest two months following publication.

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SECTION 2 – ACCESS RIGHTS

II.29. Background covered

Beneficiaries may define the Background needed for the purposes of the project in a written agreement and, where appropriate, may agree to exclude specific Background.¹⁰

II.30. Principles

1. All requests for access rights shall be made in writing.

2. The granting of access rights may be made conditional on the acceptance of specific conditions aimed at ensuring that these rights will be used only for the intended purpose and that appropriate confidentiality obligations are in place.

3. Without prejudice to their obligations regarding the granting of access rights, Beneficiaries shall inform each other as soon as possible of any limitation to the granting of access rights to Background, or of any other restriction which might substantially affect the granting of access rights.

4. The termination of the participation of a Beneficiary shall in no way affect the obligation of that Beneficiary to grant access rights to the remaining Beneficiaries.

5. Unless otherwise agreed by the owner of the Foreground or Background, access rights shall confer no entitlement to grant sub-licenses.

6. Without prejudice to paragraph 7, any agreement providing access rights to Foreground or Background to Beneficiaries or third parties must ensure that potential access rights for other Beneficiaries are maintained.

7. Exclusive licenses for specific Foreground or Background may be granted subject to written confirmation by all the other Beneficiaries that they waive their access rights thereto.

8. Exclusive licenses to third parties established in Third Countries for Foreground shall not be permitted.

II.31. Access rights for implementation

1. Access rights to Foreground shall be granted to the other Beneficiaries, if it is needed to enable those Beneficiaries to carry out their own work under the project. Such access rights shall be granted on a royalty-free basis.

¹⁰ Such an exclusion may be temporary (e.g. to permit the adequate protection of the Background prior to providing access) or limited (e.g. to exclude only one or more specific Beneficiaries). As Background is by definition considered to be needed for implementation or use, the impact of such an exclusion on the project, particularly regarding an exclusion which does not have a temporary character, should be examined by the Beneficiaries.
2. Access rights to Background shall be granted to the other Beneficiaries, if it is needed to enable those Beneficiaries to carry out their own work under the project provided that the Beneficiary concerned is entitled to grant them. Such access rights shall be granted on a royalty-free basis, unless otherwise agreed by all Beneficiaries before their accession to this agreement.

II.32. Access rights for use

1. Beneficiaries shall enjoy access rights to Foreground, if it is needed to use their own Foreground. Subject to agreement, such access rights shall be granted either under fair and reasonable conditions or be royalty-free.

2. Beneficiaries shall enjoy access rights to Background, if it is needed to use their own Foreground provided that the Beneficiary concerned is entitled to grant them. Subject to agreement, such access rights shall be granted either under fair and reasonable conditions or be royalty-free.

3. An affiliated entity established in a Member State or Associated country shall also enjoy access rights, referred to in paragraphs 1 and 2, to Foreground or Background under the same conditions as the Beneficiary to which it is affiliated, unless otherwise provided for in the Consortium Agreement. As the access rights referred to in paragraphs 1 and 2 require that access is needed to use own Foreground, this paragraph only applies to the extent that ownership of Foreground was transferred to an affiliate entity established in a Member State or Associated country. The Beneficiaries may provide for arrangements regarding access rights for affiliated entities in their Consortium Agreement, including regarding any notification requirements.

4. A request for access rights under paragraphs 1, 2 or 3 may be made up to one year after either of the following events:

   a) the end of the project; or

   b) termination of participation by the owner of the Background or Foreground concerned. However, the Beneficiaries concerned may agree on a different time-limit.
II.33. Requests for amendments and termination at the initiative of the Consortium

1. Amendments to this Grant Agreement may be requested by any of the Parties. Requests for amendments and termination shall be signed by the legal representative of the Parties and submitted in accordance with Article 8. Any request or acceptance by the Consortium or a Beneficiary(ies) shall be submitted by the Coordinator. The Coordinator is deemed to act on behalf of all Beneficiaries when signing a request, an acceptance or rejection letter concerning an amendment as well as when requesting a termination. The Coordinator shall ensure that adequate proof of the Consortium’s Agreement to such an amendment or termination exists and is made available in the event of an audit or upon request of the BONUS EEIG, the National Funding Institutions and/or the European Commission.

2. In the case of change of Coordinator without its agreement, the request shall be submitted by all other Beneficiaries or by one of them representing the others.

3. Requests for the addition of a new Beneficiary shall include a completed Form B (Annex IV), duly signed by such new entity. Such additional entity shall assume the rights and obligations of Beneficiaries as established by the Grant Agreement with effect from the date of its accession specified in the signed Form B.

4. The amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of the Beneficiaries.

5. Requests for termination of the participation of one or more Beneficiaries shall include:

- the consortium’s proposal for reallocation of the tasks and budget of that Beneficiary,
- the reasons for requesting the termination,
- the proposed date on which the termination shall take effect,
- a letter containing the opinion of the Beneficiary whose participation is requested to be terminated and
- the reports and deliverables referred to in Article II.4, relating to the work carried out by this Beneficiary up to the date on which the termination takes effect, together with a comment of the Coordinator on behalf of the Consortium on these reports and deliverables and a declaration on distribution of payments to this Beneficiary by the Coordinator.

In the absence of receipt of such documents, the request shall not be considered as a valid request. The letter containing the opinion of the Beneficiary concerned can be substituted by proof that this Beneficiary has been requested in writing to express its opinion on the proposed termination of its participation and to send the reports and deliverables but failed to do so within the time-limit established by that notification. This time-limit shall not be inferior to one month. In this case, if no reports have been submitted with the request for termination, the BONUS EEIG and respective National Funding Institutions shall not take into account any further cost claims of that Beneficiary and shall not make any further reimbursement for it. Unless otherwise agreed with the BONUS EEIG.
and the National Funding Institutions, all the tasks of the Beneficiary whose participation is terminated must be reallocated within the Consortium.

Requests for termination of the Grant Agreements shall provide the justification for termination and the reports and deliverables referred to in Article II.4 relating to the work carried out up to the date on which the termination takes effect.

II.34. Approval of amendments and termination requested by the Consortium

1. The Parties to this Grant Agreement undertake to approve or reject any valid request for an amendment or termination within 45 days of its receipt. The absence of a response within 45 days of receipt of such a request shall be considered as a rejection.

2. The BONUS EEIG’s approval of the requested amendment or termination shall be notified to the Coordinator after consultation with the respective National Funding Institutions, which receives it on behalf of the Consortium.

3. Amendments and terminations shall take effect on the date agreed by the Parties; where there is no date specified they shall take effect on the date of the BONUS EEIG’s approval.

II.35. Termination of the Grant Agreement or of the participation of one or more Beneficiaries at the BONUS EEIG’s initiative

1. The BONUS EEIG may terminate the Grant Agreement or the participation of a Beneficiary after consultation with the respective National Funding Institutions in the following cases:

   a) where one or more of the legal entities identified in Article 1 does not accede to this Grant Agreement;

   b) in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by this Grant Agreement that is not remedied following a written request to the Consortium to rectify the situation within a period of 30 days;

   c) where the Beneficiary has deliberately or through negligence committed an irregularity in the performance of any Grant Agreement with the BONUS EEIG and/or National Funding Institutions;

   d) where the Beneficiary has contravened fundamental ethical principles;

   e) where the required reports or deliverables are not submitted or the BONUS EEIG and/or National Funding Institutions do not approve the reports or deliverables submitted;

   f) for major technical or economic reasons substantially adversely affecting the completion of the project;

   g) if the potential use of the Foreground diminishes to a considerable extent;
h) where a legal, financial, organisational or technical change or change of control of a Beneficiary calls into question the decision of the BONUS EEIG and/or National Funding Institution to accept its participation;

d) in case of force majeure notified in conformity with Article II.37, where any reactivation of the project after suspension is impossible;

e) where the conditions for participation in the project established by the BONUS Decision and the call for proposals to which the project was submitted are no longer satisfied, unless the BONUS EEIG considers that the continuation of the project is essential to the implementation of the programme;

f) where a Beneficiary is found guilty of an offence involving its professional conduct by a judgment having the force of res judicata or if it is guilty of grave professional misconduct proven by any justified means;

3. Termination of the participation of one or more Beneficiaries at the BONUS EEIG’s and/or National Funding Institutions’ initiative shall be notified to the Coordinator and shall take effect on the date indicated in the notification and at the latest 30 days after its receipt by the Coordinator.

The BONUS EEIG and/or National Funding Institutions shall inform the Consortium of the effective date of termination. In the case of termination of the Grant Agreement, the Coordinator shall be notified, who shall in turn notify all the other Beneficiaries and the termination shall become effective 45 days after receipt by the Coordinator.

3. The consortium has up to 30 days after the effective date of termination of the Beneficiary’s participation to provide the BONUS EEIG with information on the share of its contribution that has been effectively transferred to such Beneficiary since the beginning of the project.

4. In the absence of receipt of such information within the time-limits, the BONUS EEIG shall consider that the Beneficiary whose participation is terminated owes no money to the BONUS EEIG and that its contribution already paid is still at the disposal of the consortium and under its responsibility.

5. Within 45 days after the effective date of termination, the Beneficiary(ies) whose participation is terminated shall submit (through the Coordinator) all required reports and deliverables referred to in Article II.4 relating to the work carried out up to that date. In the absence of receipt of such
documents within the above time-limits, the BONUS EEIG and/or National Funding Institutions may, after providing 30 days’ notice in writing of the non-receipt of such documents, determine not to take into account any further cost claims and not to make any further reimbursement and, where appropriate, require the reimbursement of any pre-financing due by the Beneficiary(ies).

6. Based on documents and information referred to in the paragraphs above, the BONUS EEIG and/or National Funding Institutions shall establish the debt owed by the Beneficiary whose participation is terminated.

7. Where the participation of one or more Beneficiaries is terminated, the Beneficiary(ies) whose participation is terminated shall reimburse the amount due to the BONUS EEIG and/or National Funding Institutions or transfer it to the Coordinator as requested by the BONUS EEIG within 30 days. The BONUS EEIG and/or National Funding Institutions shall send a copy of such a request to the Coordinator. In the latter case, the Coordinator shall inform the BONUS EEIG and/or National Funding Institutions at the latest 10 days after the end of this time-limit whether the amount has been transferred to it.

8. Where the Grant Agreement is terminated, the BONUS EEIG and/or National Funding Institutions shall establish the debt owed by the Consortium and notify it to the Coordinator.

II.36. Financial contribution after termination and other termination consequences

1. In the event of termination any financial contribution from the BONUS EEIG is limited to those eligible costs incurred and accepted up to the effective date of such termination and of any legitimate commitments taken prior to that date, which cannot be cancelled.

2. By derogation to the above paragraph:

   – in the case of Article II.35.1.a), no costs incurred by the Consortium under the project can be approved or accepted as eligible for reimbursement by BONUS.

   – in the case of Article II.35.1.b), any financial contribution from BONUS is limited to those eligible costs incurred up to the date of receipt of the written request to rectify the breach.

3. In addition, in the cases of Article II.35.1.b), c), d), e), l) and m) the BONUS EEIG may require reimbursement of all or part of the financial contribution of BONUS.

   In the case of Article II.35.1.b) and m) the BONUS EEIG and/or National Funding Institutions shall take into account the nature and results of the work carried out and its usefulness to BONUS in the context of the BONUS Strategic Research Agenda.

4. Where BONUS makes, at its sole discretion, a payment after the termination of the participation of a Beneficiary or after termination of the Grant Agreement, this payment shall be considered as a final payment in relation to such Beneficiary(ies) or the project, respectively and in any case shall be done through the Coordinator. Notwithstanding the termination of the Grant Agreement or the participation of one or more Beneficiaries, the provisions identified in Articles II.9, II.10, II.11, II.12, II.19, II.20, II.21, II.22, II.23, II.33, II.35, II.38, II.39 and Part C of Annex II continue to apply after the termination of the Grant Agreement or the termination of the participation of such Beneficiary(ies).
II.37. Force majeure

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfillment of any obligation under this Grant Agreement by the Parties, which is beyond their control and cannot be overcome despite their reasonable endeavors. Any default of a product or service or delays in making them available for the purpose of performing this Grant Agreement and affecting such performance, including, for instance, anomalies in the functioning or performance of such product or service, labour disputes, strikes or financial difficulties do not constitute force majeure.

2. If any of the Beneficiaries is subject to force majeure liable to affect the fulfillment of its obligations under this Grant Agreement, the Coordinator shall notify the BONUS EEIG and/or National Funding Institutions without delay, stating the nature, likely duration and foreseeable effects.

3. If BONUS is subject to force majeure liable to affect the fulfillment of its obligations under this Grant Agreement, it shall notify the Coordinator without delay, stating the nature, likely duration and foreseeable effects.

4. No party shall be considered to be in breach of its obligation to execute the project if it has been prevented from complying by force majeure. Where Beneficiaries cannot fulfill their obligations to execute the project due to force majeure, remuneration for accepted eligible costs incurred may be made only for tasks which have actually been executed up to the date of the event identified as force majeure. All necessary measures shall be taken to limit damage to the minimum.

II.38. Assignment

The Beneficiaries shall not assign any of the rights and obligations arising from the Grant Agreement except those cases provided for in Article II.25 (transfer of Foreground), without the prior and written authorisation of the BONUS EEIG, National Funding Institutions and the other Beneficiaries.

II.39. Liability

1. The BONUS EEIG cannot be held liable for any acts or omissions of the Beneficiaries in relation to this Grant Agreement. It shall not be liable for any defaults of any products, processes or services created on the basis of Foreground, including, for instance, anomalies in the functioning or performance thereof.

2. Each Beneficiary fully guarantees the BONUS EEIG and agrees to indemnify it, in case of any action, complaint or proceeding brought by a third party against the BONUS EEIG as a result of damage caused, either by any of its acts or omissions in relation to this Grant Agreement, or by any products, processes or services created by it on the basis of Foreground resulting from the project. In the event of any action brought by a third party against a Beneficiary in connection with the performance of this Grant Agreement, the BONUS EEIG may assist the latter upon written request. The costs incurred by the BONUS EEIG in this connection shall be borne by the Beneficiary concerned.
3. Each Beneficiary shall bear sole responsibility for ensuring that their acts within the framework of this project do not infringe third parties rights.
ANNEX III - FORM A – ACCESSION OF BENEFICIARIES TO THE GRANT AGREEMENT

(to be filled in by each beneficiary identified in Article 1.1 of the grant agreement) [full name and legal form of the beneficiary], represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, established in (full address: city/state/province/country (person legally authorised to act on behalf of the legal entity)] acting as its legal authorised representative, hereby consents to become a beneficiary ("beneficiary no..") to grant agreement relating to project [title] concluded between the BONUS EEIG and [name of the coordinator] and legal form (acronym) established in (full address: city/state/province/country) and accepts in accordance with the provisions of the aforementioned BONUS grant agreement all the rights and obligations of a beneficiary.

Done in 3 copies, of which one shall be kept by the coordinator and one by [name of the beneficiary], the third being sent to the BONUS EEIG by the coordinator in accordance with Articles 1.1 and 1.2 and Article 8 of the grant agreement.

Name of Legal Entity [full name of the beneficiary]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

Name of Legal Entity [full name of the coordinator]

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation
ANNEX IV - FORM B – REQUEST FOR ACCESION OF A NEW BENEFICIARY TO THE GRANT AGREEMENT

[to be filled in by each new legal entity willing to become a beneficiary) [full name and legal form of new beneficiary], represented for the purpose hereof by [(name of legal representative) (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in [full address: city/state/province/country]] acting as its legal authorised representative, hereby requests to become a beneficiary ("beneficiary no.") to BONUS grant agreement (relating to project [title]) concluded between the BONUS EEIG and [name of the coordinator] and accepts, in accordance with the provisions of the aforementioned grant agreement, all the rights and obligations of a beneficiary starting on [date], should the BONUS EEIG not oppose this request within six weeks of its receipt.

[name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)], represented for the purpose hereof by [(name of legal representative), (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in [full address: city/state/province/country]] acting as its legal authorised representative, hereby certifies as representative of the beneficiary to BONUS grant agreement (relating to project [title]) that the consortium proposes and agrees to the accession of [full name and legal form of new beneficiary] to the aforementioned grant agreement as beneficiary starting on the abovementioned date.

Enclosures:
- Grant Agreement Preparation Forms duly completed and signed by the new beneficiary.
- modified Annex I to the grant agreement describing the work to be performed by the new beneficiary.
- where the new beneficiary is proposed by the consortium following a competitive call, documents required by the grant agreement shall be provided in addition to this Form. If a competitive call has not been carried out to select this/these beneficiary(ies), justification for selection of this/these beneficiary(ies) and, where necessary, justification for not having used a competitive call.

Done in 3 copies, of which one shall be kept by the coordinator and one by [name of new beneficiary], the third being sent to the BONUS EEIG by the coordinator in accordance with Articles 8 and II.33 of the Grant Agreement.

[name of the new beneficiary (legal entity)]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

Model BONUS grant agreement 49
[name of the coordinator (legal entity)]

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation
### Summary Financial Report (to be filled in by coordinator)

<table>
<thead>
<tr>
<th>Call name</th>
<th>Type of activity</th>
<th>Total (A+B+C+D+E)</th>
<th>Max EU Contribution</th>
<th>Receipts</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiary nr</td>
<td>If 3rd Party, linked to beneficiary</td>
<td>Adjustment (Yes/No)</td>
<td>Organisation Short Name</td>
<td>Fundamental research (A)</td>
<td>Industrial research (B)</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2</td>
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<td>3</td>
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<td>12</td>
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<td></td>
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<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Requested EU contribution for the reporting period (in €)**
### BONUS COST STATEMENT (to be filled in by each beneficiary)

<table>
<thead>
<tr>
<th>Project nr</th>
<th>nnnnnn</th>
<th>Call name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Acronym</td>
<td>xxxxxxxxxxxxxxxxxxxxx</td>
<td></td>
</tr>
<tr>
<td>Period from</td>
<td>dd/mm/aa</td>
<td>Is this an adjustment to a previous statement?</td>
</tr>
<tr>
<td>To</td>
<td>dd/mm/aa</td>
<td></td>
</tr>
<tr>
<td>Legal Name</td>
<td>nnnnnn</td>
<td>Participant Identity Code</td>
</tr>
<tr>
<td>Organisation short Name</td>
<td>nnnnnn</td>
<td>Beneficiary nr</td>
</tr>
<tr>
<td>EU Funding %</td>
<td></td>
<td>Flat rate for indirect costs</td>
</tr>
</tbody>
</table>

#### 1- Declaration of eligible costs (in €)

<table>
<thead>
<tr>
<th>Type of Activity*</th>
<th>Fundamental research (A)</th>
<th>Industrial research (B)</th>
<th>Experimental development (C)</th>
<th>Management (D)</th>
<th>Other (E)</th>
<th>TOTAL (A+B+C+D+E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Other direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Subcontracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Indirect costs (20% flat rate excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Total</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
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<tr>
<td>Maximum EU contribution</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Requested EU contribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
</tbody>
</table>

#### 2- Declaration of national contribution

*We declare on our honour the receipt of the national funding prior signing of this Cost Statement.*

The amount paid by our National Funding Institution is (in €): 

The receipt date of the national funding on our bank account: 

#### 3- Declaration of receipts

*Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II.17 of the grant agreement?*

Yes/No: 

*If yes, please mention the amount (in €)*: 

4- Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art. II.1.68 of the grant agreement? Yes/No

If yes, please mention the amount (in €)

5- Certificate on the financial reports

Is there a certificate on the financial report provided by an independent auditor attached to this financial statement according to Art.II.4.4 of the grant agreement? Yes/No

<table>
<thead>
<tr>
<th>Name of the auditor</th>
<th>Cost of the certificate (in €)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6- Beneficiary’s declaration on its honour

We declare on our honour that:
- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Article 7 (special clauses) of the grant agreement;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. II.17 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. II.18.6 of the grant agreement;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the BONUS EEIG, the Commission and in the event of an audit by the BONUS EEIG, the European Commission and/or by the European Court of Auditors and/or their authorised representatives.

<table>
<thead>
<tr>
<th>Beneficiary’s Stamp</th>
<th>Name of the Person(s) Authorised to sign this Financial Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date &amp; signature</th>
<th></th>
</tr>
</thead>
</table>
## BONUS COST STATEMENT (to be filled in by Third Party) Only applicable if special clause nr 10 is used

<table>
<thead>
<tr>
<th>Project nr</th>
<th>nnnnnn</th>
<th>Call name</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Acronym</td>
<td>xxxxxxxxxxxxxxxxxxxxxxxxxx</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period from</th>
<th>dd/mm/aa</th>
<th>Is this an adjustment to a previous statement?</th>
</tr>
</thead>
<tbody>
<tr>
<td>To</td>
<td>dd/mm/aa</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal Name</th>
<th>nnnnnn</th>
<th>Third Party Identity Code</th>
<th>nn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisation short Name</td>
<td>nnnnnn</td>
<td>Working for and linked to beneficiary</td>
<td>nn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EU Funding %</th>
<th>Flat rate for indirect costs</th>
<th>20 %</th>
</tr>
</thead>
</table>

### 1- Declaration of eligible costs (in €)

<table>
<thead>
<tr>
<th>Type of Activity*</th>
<th>Fundamental research (A)</th>
<th>Industrial research (B)</th>
<th>Experimental development (C)</th>
<th>Management (D)</th>
<th>Other (E)</th>
<th>TOTAL (A+B+C+D+E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Other direct costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Subcontracting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Indirect costs (20% flat rate excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0,00</td>
</tr>
<tr>
<td>Total</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
</tr>
</tbody>
</table>

| Maximum EU contribution | 0,00 |
| Requested EU contribution | 0,00 |

### 2- Declaration of national contribution

We declare on our honour the receipt of the national funding prior signing of this Cost Statement.

The amount paid by our National Funding Institution is (in €)

The receipt date of the national funding on our bank account

### 3- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the project generate any income which could be considered a receipt according to Art.II.17 of the grant agreement?

Yes/No

If yes, please mention the amount (in €)
4- Declaration of interest yielded by the pre-financing (to be completed only by the coordinator)

Did the pre-financing you received generate any interest according to Art. II.1.68 of the grant agreement?  
Yes/No  
If yes, please mention the amount (in €)

5- Certificate on the financial reports

Is there a certificate on the financial report provided by an independent auditor attached to this financial statement according to Art. II.4.4 of the grant agreement?  
Yes/No

<table>
<thead>
<tr>
<th>Name of the auditor</th>
<th>Cost of the certificate (in €)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6- Third Party’s declaration on its honour

We declare on our honour that:
- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles II.14 and II.15 of the grant agreement, and, if relevant, Article 7 (special clauses) of the grant agreement;

- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the project which could be considered as receipts according to Art. II.17 of the grant agreement;

- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. II.18.6 of the grant agreement;

- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the BONUS EEIG, the Commission and in the event of an audit by the BONUS EEIG, the European Commission and/or by the European Court of Auditors and/or their authorised representatives.

<table>
<thead>
<tr>
<th>Third Party’s Stamp</th>
<th>Name of the Person(s) Authorised to sign this Financial Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Date & signature
ANNEX VI - FORM D - TERMS OF REFERENCE FOR THE CERTIFICATE ON THE FINANCIAL REPORT

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Terms of Reference for an Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under BONUS Joint Baltic Sea Research and Development Programme 57
Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under BONUS Joint Baltic Sea Research and Development Programme 60

The Terms Reference should be completed by the Beneficiary and be agreed with the Auditor

The Independent Report of Factual Findings should be provided by the Auditor
Terms of Reference for an Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under BONUS Joint Baltic Sea Research and Development Programme

The following are the terms of reference (‘ToR’) on which <name of the Beneficiary> ‘the Beneficiary’ agrees to engage <name of the audit firm> ‘the Auditor’ to provide an independent report of factual findings on a BONUS Cost Statement(s)\(^{11}\) prepared by the Beneficiary and to report in connection with a BONUS EEIG financed grant agreement concerning the concerning “Joint Baltic Sea Research and Development Programme (BONUS) undertaken by several Member States with the participation of the Union, concerning <title and number of the grant agreement> (the ‘Grant Agreement’). Where in these ToR the ‘BONUS EEIG’ is mentioned this refers to its quality as signatory of the Grant Agreement with the Beneficiary. The BONUS EEIG is not a party to this engagement.

1.1 Responsibilities of the Parties to the Engagement

‘The Beneficiary’ refers to the legal entity that is receiving the grant and that has signed the Grant Agreement with the BONUS EEIG.

- The Beneficiary is responsible for preparing a BONUS Cost Statement for the Action financed by the BONUS Grant Agreement in compliance with such agreements and providing it to the Auditor, and for ensuring that this BONUS Cost Statement can be properly reconciled to the Beneficiary’s accounting and bookkeeping system and to the underlying accounts and records. Notwithstanding the procedures to be carried out, the Beneficiary remains at all times responsible and reliable for the accuracy of the BONUS Cost Statement.

- The Beneficiary is responsible for the factual statements which will enable the Auditor to carry out the procedures specified, and will provide the Auditor with a written representation letter supporting these statements, clearly dated and stating the period covered by the statements.

- The Beneficiary accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary providing full and free access to the Beneficiary’s staff and its accounting and other relevant records.

‘The Auditor’ refers to the Auditor who is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting an independent report of factual findings to the Beneficiary.

The Auditor must be independent from the Beneficiary.


\(^{11}\) BONUS Cost Statement in this context refers solely to Annex V- Form C – Financial reporting form(s) by which the Beneficiary claims costs under the Grant Agreement.
• The Auditor is a Competent Public Officer for which the relevant national authorities have established the legal capacity to audit the Beneficiary and has not been involved in the preparation of the financial statements.

• The procedures to be performed are specified by the BONUS EEIG and the Auditor is not responsible for the suitability and appropriateness of these procedures.

1.2 Subject of the Engagement

The subject of this engagement is the <interim or final; delete what is not applicable> BONUS Cost Statement in connection with the Grant Agreement for the period covering <dd Month yyyy to dd Month yyyy>.

1.3 Reason for the Engagement

The Beneficiary is required to submit to the BONUS EEIG a certificate on a BONUS Cost Statement in the form of an independent report of factual findings produced by an external auditor in support of the payment requested by the Beneficiary under Article II.4 of the Grant Agreement. The BONUS EEIG requires this Report as it makes the payment of costs requested by the Beneficiary conditional on the factual findings of this Report.

1.4 Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on costs claimed under the Grant Agreement.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The BONUS EEIG derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the BONUS Cost Statement and the payment request of the Beneficiary relating thereto.

The Auditor shall include in its Report that no conflict of interest exists between it and the Beneficiary in establishing this Report, as well as the fee paid to the Auditor for providing the Report.

1.5 Scope of Work

1.5.1 The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the International Standard on Related Services (‘ISRS’) 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the IFAC;

- in compliance with the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures
engagements, the BONUS EEIG requires that the Auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

### 1.5.2 Planning, procedures, documentation and evidence

The Auditor should plan the work so that the procedures can be effectively performed. For this purpose he performs the procedures specified in 1.9 of these Terms of Reference (‘Scope of Work – Compulsory Report Format and Procedures to be Performed’) and uses the evidence obtained from these procedures as the basis for the Report of factual findings.

### 1.6 Reporting

The Report of factual findings, an example of which is attached to this ToR, should describe the purpose and the agreed-upon procedures of the engagement in sufficient detail in order to enable the Beneficiary and the BONUS EEIG to understand the nature and extent of the procedures performed by the Auditor. Use of the reporting format attached as Annex VII of the Grant Agreement is compulsory. The Report should be written in the language indicated in Article 4 of the Grant Agreement. In accordance with Article II.20 of the Grant Agreement, the BONUS EEIG, the European Commission including the European Anti-Fraud Office (OLAF) and the Court of Auditors have the right to audit any work carried out under the project for which costs are claimed from the Community, including the work related to this engagement.

### 1.7 Timing

The Report should be provided by [DATE].

### 1.8 Other Terms

[The Beneficiary and the Auditor can use this section to agree other specific terms such as Auditor’s fees, out of pocket expenses, liability, applicable law, etc.]

[legal name of the audit firm] [legal name of the Beneficiary]  
[name & function of authorised representative] [name & function of authorised representative]  
<dd Month yyyy> <dd Month yyyy>  
<Signature of the Auditor> <Signature of the Beneficiary>
1.9 Scope of Work – Compulsory Report Format and Procedures to be Performed

Independent Report of Factual Findings on costs claimed under a Grant Agreement financed under BONUS.

To be printed on letterhead paper of the Auditor

<Name of contact person(s)>, <Position>

<Beneficiary’s name>

<Address>

<dd Month yyyy>

In accordance with our contract dated <dd Month yyyy> with <name of the Beneficiary> “the Beneficiary” and the terms of reference attached thereto (appended to this Report), we provide our Independent Report of Factual Findings (“the Report”), as specified below.

Objective

We [legal name of the audit firm], established in [full address/city/state/province/country] represented for signature of this Report by [name and function of an authorised representative] have performed agreed-upon procedures regarding the cost declared in the BONUS Cost Statement(s) of [name of beneficiary] hereinafter referred to as the Beneficiary, to which this Report is attached, and which is to be presented to the BONUS EEIG under grant agreement [BONUS grant agreement reference: title, acronym] for the following period(s) [insert period(s) covered by the BONUS Cost Statement(s)]. This engagement involved performing certain specified procedures, the results of which the BONUS EEIG uses to draw conclusions as to the eligibility of the costs claimed.

Scope of Work

Our engagement was carried out in accordance with:

- the terms of reference appended to this Report and:

- International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants ('IFAC');

- the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the BONUS EEIG requires that the Auditor also complies with the independence requirements of the Code of Ethics for Professional Accountants;

---

12 BONUS Cost Statement in this context refers solely to Annex V by which the Beneficiary claims costs under the Grant Agreement.
As requested, we have only performed the procedures set out in the terms of reference for this engagement and we have reported our factual findings on those procedures in the table appended to this Report.

The scope of these agreed upon procedures has been determined solely by the BONUS EEIG and the procedures were performed solely to assist the BONUS EEIG in evaluating whether the costs claimed by the Beneficiary in the accompanying BONUS Cost Statement have been claimed in accordance with the Grant Agreement. The Auditor is not responsible for the suitability and appropriateness of these procedures.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the BONUS Cost Statement(s).

Had we performed additional procedures or had we performed an audit or review of the BONUS Cost Statement of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

**Sources of Information**

The Report sets out information provided to us by the management of the Beneficiary in response to specific questions or as obtained and extracted from the Beneficiary's information and accounting systems.

**Factual Findings**

The above mentioned BONUS Cost Statement(s) was (were) examined and all procedures specified in the appended table for our engagement were carried out. On the basis of the results of these procedures, we found:

All documentation and accounting information to enable us to carry out these procedures has been provided to us by the Beneficiary. Except as indicated below, no exceptions were noted.

**Exceptions**

- In some cases, the Auditor was not able to successfully complete the procedures specified. These exceptions are as follows:

  exceptions such as inability to reconcile key information, unavailability of data which prevented the Auditor from carrying out the procedures, etc. should be listed here. The BONUS EEIG will use this information to decide the amounts which will be reimbursed.
Use of this Report

This Report is solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the Beneficiary and the BONUS EEIG and solely for the purpose of submission to the BONUS EEIG in connection with the requirements as set out in Article II.4.4 of the Grant Agreement. This Report may not be relied upon by the Beneficiary or by the BONUS EEIG for any other purpose, nor may it be distributed to any other parties. The BONUS EEIG may only disclose this Report to others who have regulatory rights of access to it, in particular the European Commission, European Anti Fraud Office, the European Court of Auditors and the relevant National Funding Institutions.

This Report relates only to the BONUS Cost Statement(s) specified above and does not extend to any other financial reporting forms of the Beneficiary.

No conflict of interest exists between the Auditor and the Beneficiary in establishing this Report. The fee paid to the Auditor for providing the Report was € ______.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

[legal name of the audit firm]

[[name and function of an authorised representative]
Procedures performed by the Auditor

The Auditor designs and carries out his work in accordance with the objective and scope of this engagement and the procedures to be performed as specified below. When performing these procedures the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations or any others deemed necessary in carrying out these procedures.

The BONUS EEIG reserves the right to issue guidance together with example definitions and findings to guide the Auditor in the nature and presentation of the facts to be ascertained. The BONUS EEIG reserves the right to vary the procedures by written notification to the Beneficiary. The procedures to be performed are listed as follows:

<table>
<thead>
<tr>
<th>Procedures</th>
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<tbody>
<tr>
<td><strong>Personnel Costs</strong></td>
<td></td>
</tr>
<tr>
<td>1. Recalculate hourly personnel and overhead rates for personnel (full coverage if less than 20 employees, otherwise a sample of minimum 20, or 20% of employees, whichever is the greater), indicate the number of productive hours used and hourly rates.</td>
<td>The auditor sampled ______ employees out of the total of _______ employees. For each employee in the sample of ___, the Auditor obtained the personnel costs (salary and employer's costs) from the payroll system together with the productive hours from the time records of each employee. For each employee selected, the Auditor recomputed the hourly rate by dividing the actual personnel costs by the actual productive hours, which was then compared to the hourly rate charged by the Beneficiary. No exceptions were noted. The average number of productive hours for the employees selected was ______. The productive hours calculation corresponds to the usual accounting practice of the beneficiary.</td>
</tr>
<tr>
<td>Where sampling is used, selection should be random with a view to producing a representative sample.</td>
<td>If the productive hours or costs of personnel cannot be identified, they should be listed (together with the amounts) as exceptions in the main report.</td>
</tr>
<tr>
<td><em>Productive hours</em> represent the (average) number of hours made available by the employee in a year after the deduction of holiday, sick leave and other entitlements. The auditor obtained the calculation of the productive hours after inspecting all necessary records, national legislation, labour agreements, contracts, any other relevant documentation. The calculation should be based on the period(s) corresponding to the Financial Statement(s) or on the last closed financial year (whichever is used by the beneficiary).</td>
<td>If the productive hours calculation does not correspond to the usual accounting practice of the beneficiary, this should be listed as an exception in the main report.</td>
</tr>
<tr>
<td>Employees record their time on a daily/weekly/monthly basis using a paper/computer-based system. The time-records selected were authorised by the project manager or other superior.</td>
<td></td>
</tr>
<tr>
<td>Employees record their time on a daily/weekly/monthly basis using a paper/computer-based system. The time-records selected were authorised by the project manager or other superior.</td>
<td>If no time records are available which fit the above description, this</td>
</tr>
</tbody>
</table>

Model BONUS grant agreement 63
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<td>should be listed as an exception in the main report.</td>
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</table>
| 3. Employment status and employment conditions of personnel. The Auditor should obtain the employment contracts of the employees selected and compare with the standard employment contract used by the Beneficiary. Differences which are not foreseen by the BONUS Grant Agreement should be noted as exceptions. | For the employees selected, the Auditor inspected their employment contracts and found that they were:  
– directly hired by the Beneficiary in accordance with its national legislation,  
– under the sole technical supervision and responsibility of the latter, and  
– remunerated in accordance with the normal practices of the Beneficiary.  
Personnel who do not meet all three conditions should be listed (together with the amounts) as exceptions in the main report. |
| 4. Use of average personnel costs | 4a. The auditor found:  
• no discrepancies between the method described in the relevant documents and the method used by the beneficiary;  
• The methodology used to calculate the average personnel hourly rate(s) represents the usual cost accounting practice of the organisation;  
• no differences arose from the numerical reconciliation  
• The Auditor confirms that the rates used for the calculation of the average personnel costs were not based on budgeted or estimated amounts.  
If amounts cannot be reconciled, or if estimates or budgeted amounts were used, this should be reported as an exception in the main report.  
If the usual accounting practice differs from the one described, this should be reported as an exception in the main report. |

4a Use of average personnel costs (not applicable to SME owners and natural persons not receiving a salary):  
• The auditor reviewed all relevant manuals and/or internal guidance describing the methodology used to calculate average personnel costs;  
• The auditor obtained a list of all average personnel rates calculated by the beneficiary in accordance with the methodology used;  
• The auditor verified that the calculation of the average personnel costs excludes ineligible items as defined in Art.II.14.3, Annex II to ECGA or any costs claimed under other cost categories  
• The auditor obtained a list of all relevant employees (working on EU projects + not working on EU projects) based on which the average personnel rate(s) are calculated;  
• The auditor reviewed the allocation of employees to the relevant group and verified the correctness of the Full Time Equivalent (FTE).  
• The auditor performed a numerical reconciliation between the total amount of personnel costs taken into consideration for the calculation of the average personnel rate and the total amount of personnel costs recorded in the statutory accounts.
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<tr>
<td>• The auditor verified on a sample basis that the appropriate average hourly rate was used for the personnel costs claimed on the audited project.</td>
<td>4b. Use of average personnel costs - applicable only for SME owners and natural persons not receiving a salary:</td>
</tr>
<tr>
<td>4b. The auditor verified on a sample basis that the appropriate average hourly rate was used for the personnel costs claimed on the audited project.</td>
<td>• SME owners and natural persons charging personnel costs based on a flat rate, do not receive salary.</td>
</tr>
<tr>
<td>4b. The auditor reviewed payroll and accounting records, contracts and other relevant legal documents in order to verify that the SME owners and the natural persons concerned do not receive any salary.</td>
<td>If they receive any salary, it should be listed as an exception in the main report.</td>
</tr>
<tr>
<td>4b. The auditor obtained documents (such as employment records, CVs, diplomas and other relevant documents) proving professional experience of the persons concerned and supporting determination of appropriate research category in line with 'People' Work Programme.</td>
<td>• Time spent on projects was duly recorded by the persons whose personal work costs are charged on the basis of a flat rate. These time-records have been verified by a superior or another person involved in the project. In the absence of any superior or other person working closely with such persons, the Auditor confirms that documentation is available to ascertain the reliability of the time records.</td>
</tr>
<tr>
<td>4b. The auditor recomputed the hourly rate by dividing the applicable living allowance corresponding to the appropriate research category by the standard number of productive hours (1575) and by multiplying it by the appropriate country correction coefficient.</td>
<td>If no time records are available, this should be listed as an exception in the main report.</td>
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<tr>
<td>4b. The auditor verified that the annual living allowance corresponds to the reference year of the publication of the call under which the project was selected for funding and that the beneficiary applied the appropriate country coefficient correction as published in the 'People' Work Programme of the year of publication of the call.</td>
<td>• The hourly rates applicable to all SME owners and natural persons who do not receive a salary are correctly calculated.</td>
</tr>
<tr>
<td>4b. The auditor confirmed the documentation is available to ascertain the reliability of the time records.</td>
<td>• The total number of hours claimed for the European Union project in a year is in line with their time-sheets but is not higher than the standard number of productive hours per SME owner or natural person (1575).</td>
</tr>
<tr>
<td>If no time records are available, this should be listed as an exception in the main report.</td>
<td>If the calculation is not correct, this should be listed as an exception in the main report.</td>
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<tr>
<td>Subcontracting</td>
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<tr>
<td>5. Obtain a written description from the Beneficiary regarding 3rd party resources used and compare with Annex 1 to the Grant Agreement.</td>
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<tr>
<td>The Auditor compared the description of the 3rd party resources provided by the Beneficiary to the specification in Annex 1 to the Grant Agreement, and found them to be the same.</td>
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<tr>
<td>If the descriptions do not clearly match, this should be reported as</td>
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<td>6. Inspect documents and obtain confirmations that subcontracts are awarded according to a procedure including an analysis of best value for money (best price-quality ratio), transparency and equal treatment. Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</td>
<td>The Auditor obtained tendering documents for each subcontract entered into and found that the tendering process was followed and that a written analysis of value-for-money had been prepared by the Beneficiary in support of the final choice of subcontractor, or that the contract had been awarded as part of an existing framework contract entered into prior to the beginning of the project. If the Auditor is not provided with evidence of either of the above situations, the amount of the subcontract should be listed as an exception in the main report.</td>
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</table>

### Other Direct Costs

| 7. Allocation of equipment subject to depreciation is correctly identified and allocated to the project. Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater. | The Auditor traced the equipment charged to the project to the accounting records and the underlying invoices. The Beneficiary has documented the link with the project on the invoice and purchase documentation, and, where relevant, the project accounting. The asset value was agreed to the invoice. The depreciation method used to charge the equipment to the project was compared to the Beneficiary's normal accounting policy and found to be the same. If assets have been charged which do not comply with the above, they should be listed (together with the amounts) as exceptions in the main report. |
| 8. Travel costs correctly identified and allocated to the project (and in line with Beneficiary's normal policy regarding first-class travel, etc.) Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater. | The Auditor inspected the sample and found that the Beneficiary had allocated travel costs to the project by marking of invoices and purchase orders with the project reference, resulting in traceable allocation in the project accounts. The costs charged were compared to the invoices and found to be the same. The use of first class travel was in line with the written policy provided by the Beneficiary. Costs which are not allocated to project accounts and do not have a clear attribution (normally by writing the project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report. |
| 9. Consumables correctly identified and allocated to the project. Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater. | The Auditor inspected the sample and found that the Beneficiary had allocated consumable costs to the project by marking of invoices and purchase orders with the project reference, resulting in traceable allocation in the project accounts. The costs charged were compared to the invoices and found to be
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<td>the same.</td>
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<td>Costs which are not allocated to project accounts and do not have a clear attribution (normally by writing the project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report.</td>
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</table>

**Indirect costs**

10. The auditor confirmed that the flat rate applied on the Financial Statement(s) is consistent with the one provided in Annex II of the ECGA.
   - The auditor recalculated the indirect costs claimed on the basis of the flat rate for arithmetical accuracy.
   - The auditor found:
     - that the flat rate has been charged in accordance with Annex II of the ECGA and computed on direct eligible costs excluding costs for sub-contracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.
     - that no differences arose from the numerical reconciliation.

11. The Auditor compared the exchange rates used for conversion with the applicable official exchange rates established by the European Communities and the Beneficiary used [choose one]:
   - the conversion rate of the date where the actual costs were incurred
   - the rate applicable on the first day of the month following the end of reporting period
   - Where rates cannot be agreed, an exception should be noted, (together with the amount) in the main report.

12. The auditor checked the bank statements of the Beneficiary:
   - The Beneficiary has received the national contribution on its account
   - The national contribution received on the account of the Beneficiary is correctly indicated in the Form C.
   - Any discrepancies in the national contributions noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.

13. The Auditor examined the relevant project accounts and obtained representations from the Beneficiary that the amounts listed represent a complete record of the sources of income connected with the project. The amount included in the claim regarding receipts is the same as the amount recorded in the project accounting.
   - Any discrepancies in the receipts noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.
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<td>14. Identification of interest yielded on pre-financing.</td>
<td>The Auditor compared the relevant project accounts with the interest shown in the bank statements and found them to be the same.</td>
</tr>
<tr>
<td>The Beneficiary, when it is the coordinator of the project, is obliged to declare interest yielded on pre-financing</td>
<td>Any discrepancies in the interest noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.</td>
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