

## 27. CURRENCY FOR FINANCIAL REPORTING AND PAYMENTS

1. Payments of the Grant shall be made in Euro.
2. The Lead Partner shall draw up the Interim and Financial Reports and Payment Requests in Euro.
3. In case costs have been incurred in another currency than Euro, the costs must be converted into Euros using the monthly accounting rate of the European Commission ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)) of the month when the expenditure has been paid.
4. The Parties shall not be accountable or liable for losses or gains due to currency fluctuations.

## REPORTING AND VERIFICATION OF REPORTS

### 28. REPORTING

1. The Lead Partner shall certify that the expenditure claimed either in Interim or Final Reports complies with the principles of economy, effectiveness, and efficiency.
2. Reports, either Interim or Final, shall be drawn up using the templates provided by FO in the EGREG system. Each report consists of the narrative part and the financial part that includes the Payment Request.
3. Interim Reports shall be submitted by the Lead Partner on behalf of the Consortium within 30 calendar days after the end date of the relevant reporting period foreseen in Article 6 (*Reporting Periods*) of the Special Conditions; whereas the Final Report shall be submitted no later than 90 calendar days after the Project end date set in the Special Conditions. The timely submission of reports is a substantial obligation under this Contract.
4. Should the verification of Interim and/or Final Reports raise no concerns, the FO shall inform the Lead Partner of its approval.
5. Should the verification raise concerns or doubts, the FO shall inform the Lead Partner thereof and request necessary corrections, explanations and/or modifications to be submitted within a deadline set by the FO. Such a request by the FO triggers the suspension of payment deadline under Article 31 (*General rules and Payment procedure*). Should the Lead Partner fail to submit the required corrections, explanations and/or modifications, the FO may suspend payments in accordance with Article 41 (*Suspension of payments*) and may apply financial corrections in accordance with Article 40 (*Financial Corrections*). Failure to comply may also lead to termination of the contract in accordance with Article 45 (*Termination by the FO*).
6. In case the FO is requested by the FMO to provide information about the implementation of the Project, the FO reserves the right to require the Lead Partner to provide such information within 15 calendar days starting from the receipt of the request, unless otherwise indicated by the FO.

### 29. PROOF OF EXPENDITURE

1. All expenditure incurred by the Project Partners shall be supported by receipted invoices, or alternatively by accounting documents of equivalent probative value.

2. For the purpose of verification of expenditure by the FO, the proof of expenditure to be submitted may take the form of:
  - 2.1. Supporting documents, such as receipted invoices, or, alternatively, accounting documents of equivalent probative value; or
  - 2.2. A report of factual findings on expenditures declared under an Interim/Final Report by an independent auditor qualified to carry out statutory audits of accounting documents, or a report issued by a competent and independent public officer recognised by the relevant national authorities as having a budget and financial control capacity over the entity incurring the costs and who has not been involved in the preparation of the financial statements, certifying that expenditure declared in an Interim/Final Report has been incurred in accordance with the provisions of the Project Contract, national law and relevant national accounting principles. Auditors shall draw up a report using the template provided by the FO.
3. When the maximum amount of the Grant awarded to a Project Partner is less than EUR 200,000, that Project Partner may choose the option under point 2.1 or the option under point 2.2. Should the Project Partner choose the option under point 2.1, all supporting documents shall be provided in support of each Interim and the Final Report. Should the Project Partner choose the option under point 2.2, the Project Partner(s) shall provide the report annually and with the Final Report (for the expenditure incurred in the last period not covered by the previous annual audit report(s)). If the Project duration is less than 2 years, such a report shall be provided at the end of the Project, along with the Final Report. Supporting documents shall be provided upon the request of the FO.
4. When the maximum amount of the Grant awarded to a Project Partner is equal or above EUR 200,000, that Project Partner(s) shall provide the report foreseen in point 2.2. The Audit Report under point 2.2 shall be submitted at least annually or whenever the total incurred expenditure reported by the Project Partner is equal or above EUR 200,000 when cumulated with all previously reported incurred expenditure for which an Audit Report has not been submitted. An Audit Report shall always be provided at the time of the Final Report (for the expenditure incurred in the last period not covered by the previous annual audit report (s)). If the Project duration is less than 2 years, such Audit Report shall be provided together with the Final Report, as well as when the cumulative incurred expenditure reported exceeds EUR 200,000.
5. Should a Project Partner select an auditor in accordance with point 2.2, the Lead Partner shall notify the FO of the choice of the auditor at least 7 calendar days before contracting the Auditor by the Lead Partner.
6. The FO reserves the right to require that auditor(s) foreseen in point 2.2 selected directly by the Project Partner(s), be replaced if previously unknown circumstances cast doubts on the auditor(s)'s independence or professional standards. The FO reserves the right to require that the Auditor, except for public officers mentioned in paragraph 2.2, shall meet at least one of the formal following conditions:
  - 6.1. The Auditor and/or the firm is a member of a national accounting or auditing body or institution which in turn is a member of the International Federation of Accountants (IFAC);
  - 6.2. The Auditor and/or the firm is a member of a national accounting or auditing body or institution. Although this organisation is not member of the IFAC, the Auditor holds valid internationally recognised certification, and commits him/herself to undertake this engagement in accordance with the IFAC standards and ethics;

- 6.3. The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in an EU member state in accordance with the principles of public oversight set out in Directive 2006/43/EC of the European Parliament and of the Council (this applies to auditors and audit firms based in an EU member state);
- 6.4. The Auditor and/or the firm is registered as a statutory auditor in the public register of a public oversight body in a third country and this register is subject to principles of public oversight as set out in the legislation of the country concerned (this applies to auditors and audit firms based in a third country).
7. The FO reserves the right to ask the Project Partners to submit proof of expenditure foreseen in paragraph 1 during the performance of a monitoring visit, an audit or a check.
8. Project Partner(s) which are international organisations shall provide proof of expenditure according to their internal rules and as specified in the Special Conditions.

### 30. BUDGET FORECAST

The Lead Partner shall prepare and submit to the FO an updated detailed budget forecast for each six months period at the time of submission of the Interim Reports.

## PAYMENTS

### 31. GENERAL RULES AND PAYMENT PROCEDURE

1. The Lead Partner shall be entitled to Advance, Interim and Final Payments in accordance with the procedures, schedule and time limits stipulated in the Project Contract.
2. Payments shall be transferred to the Lead Partner in Euro in full sums, rounded down with EUR 1 precision to the dedicated bank account as foreseen in Article 7 (*Bank account for Payments*) of the Special Conditions.
3. The FO may at any moment suspend the payment deadline foreseen in Article 33 (*Interim Payments*) and in Article 34 (*Final Payment*) if necessary corrections, explanations and/or modifications are required for Interim and/or Final Reports and/or additional checks, reviews, audits or investigations are necessary.
4. The FO shall formally notify the Lead Partner of the suspension of the payment deadline and the reasons for the suspension. The suspension shall take effect the day of the notification sent by the FO. If the reasons for suspending the payment deadline are no longer valid, the suspension shall be lifted and the payment deadline shall resume.
5. The Lead Partner shall ensure that the other Project Partners receive the amount of the Grant due to them in accordance with the provisions foreseen in the Partnership Agreement. No amount shall be deducted or withheld and no specific charge or other charge with equivalent effect shall be levied that would reduce that amount for the Project Partners.

### 32. ADVANCE PAYMENT AND FINANCIAL GUARANTEE

1. In case of Advance Payment, the FO shall transfer the Advance Payment to the Lead Partner within 15 calendar days after the FO receives the documents as indicated in Article 4 of the Special Conditions.
2. The FO reserves the right to exceed the deadline foreseen in paragraph 1 of this Article if verification of the requested documents requires more time. In these cases, the FO shall notify via the EGREG system a reasoned note to the Lead Partner.