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Supplement 1 to EA-1/20 A Procedure for Control of Expenditures and Preparation of Budgets

Terms and Conditions for Financial Compensation from the Operating Grant to an EA Member Accreditation Body

PURPOSE

This supplement sets out the rules and criteria governing the requests submitted by the EA AB members for reimbursement of expenses from the operating grant of the EC/EFTA.

Authorship

The publication has been written by the EA Executive Committee.

Official language

The text may be translated into other languages as required. The English language version remains the definitive version.

Copyright

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Further information

Forms are Secretariat controlled forms which are updated every year and can be obtained on request from the Secretariat. They also are distributed with mandates.

For further information about this publication, contact the EA Secretariat. Please check our website for up-to-date information <http://www.european-accreditation.org>

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I PREAMBLE

The European Union represented by the European Commission (“the Commission”) and the European co-operation for Accreditation (“EA”) signed a Framework Partnership Agreement [FPA/EA/ENTR/2010/30-CE-0361584/0068] (hereafter: FPA) on 30 June 2010 to define the respective roles and responsibilities of the Partners implementing their partnership. The FPA entered into force on 1 January 2010 and shall be concluded for a period of 4 years. It has been renewed in 2014 for a new period of 4 years.

Concurrently, EA also signed the Specific Agreement for an Operating Grant. EA Members are considered to be part of EA for the purposes of the Operating Grant, and this can take place without EA Members having to sign the Accession Form that is contained in the FPA.

A similar agreement has been signed by EA and the European Free Trade Association (“the EFTA”) on 8 December 2010. It has also been renewed in 2014 for a new period of 4 years.

However, all EA Members must sign the Terms & Conditions that set out similar (but not identical) criteria to that contained in the Accession Form prior to receiving any part of the Operating Grant for activity carried out in support of the EA Work Programme.

This is to cover specific obligations that Members will have to meet. It will not need to be signed every year unless required by a significant change in the EA Member or the applicable procedures.

The Terms & Conditions are appended with a “Procedure for an AB to submit a request for payment”.

II DECLARATION FOR THE OPERATING GRANT

[full name and legal form of the EA member] (“the Accreditation Body”), represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative), (function)], hereby consents to participate in the activities specified in the Work Programme supporting the Specific Agreement on an Operating Grant concluded between the *Commission* of the European Union (“the *Commission*”) and the *European co-operation for Accreditation (EA) established in Utrecht, The Netherlands* of which the Accreditation Body is a Member and the Specific Agreement concluded between the European Free Trade Association (EFTA) and EA .
The Accreditation Body herewith accepts all rights and obligations of the Terms & Conditions.

The Accreditation Body further acknowledges and accepts the terms of the FPA, concluded between EA – of which it is a Member – and the Commission, and assumes the rights and obligations following from it in relation to the eligibility to Community funding in general and to this Specific Agreement in particular.

The rights and obligations following from the FPA include in particular to:

- a) agree upon appropriate arrangements with EA for the proper performance of the activities in the Work Programme which will be carried out by the Accreditation Body;
- b) forward to EA the data needed to draw up the reports, financial statements and other documents provided for in the FPA including its Annex;
- c) inform EA immediately of any event liable to substantially affect or delay the implementation of the activities of which they are aware;
- d) provide EA and the Commission with all the necessary documents in the event of audits, checks of evaluations, as described in Article II.27;
- e) comply with the conditions of Article II.10 where the execution of the activities is subcontracted to third parties by the Accreditation Body;
- f) facilitate the checks and audits as foreseen in Article II.27 of the FPA.

For the operating grant

Activities in the EA Work Programme, for which an Accreditation Body takes on the responsibility to complete, will be defined in a specific mandate issued by EA.

Name of Legal Entity [full name of the Accreditation Body]

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

Signature of legal representative(s):

Date:

Stamp of the organisation:

III ANNEXES

The following Annexes are an integral part of the EA Terms & Conditions:

Annex I Procedure for an Accreditation Body to request reimbursement

ANNEX I PROCEDURE FOR AN ACCREDITATION BODY TO REQUEST REIMBURSEMENT

A1 Eligible activities to be covered by the Operating Grant

A1.1 The activities that can be covered as eligible under the Operating Grant are included in the Work Programme and EA budget agreed with the Commission.

Activities that can be covered under the Operating Grant as eligible are the following:

- a) the EA Secretariat's costs (labour costs; communication and IT costs; travel, accommodation and subsistence costs; rent and overhead costs);
- b) the MAC Chair's costs for managing the MAC and MAC MG (including participation in MAC and MAC MG meetings and working time-related costs);
- c) Peer Evaluation Team Leaders' mandays;
- d) the MAC Evaluator training activities: trainers' and participants' costs including training activities concerning the regulated area;
- e) training activities for harmonisation of accreditation practices: trainers' costs (with the pre-authorisation of the EA Executive Committee);
- f) EA main Committee Chairs' (HHC, LC, CC, IC, CPC) costs for managing the Committees (including participation in their respective committee meetings and working time-related costs);
- g) EA main Committees' WG and TFG Convenors' costs for managing the Committees (including participation in their respective committee meetings and working time-related costs);
- h) EA Executive Committee Members' costs for participation in EX meetings and working time-related costs;
- i) EA main Committee/Council Chairs' costs for other liaison activities with stakeholder organizations and the respective committees of the international accreditation organisations and working time-related costs;
- j) the EA Chair's, Vice Chair's or representatives' costs for liaison activities (meetings of the SOGS and with the EC) and working time-related costs;
- k) the EA Chair's and Vice Chair's costs for participation in EAAB and stakeholder meetings and working time-related costs;
- l) the EA Chair's and Vice Chair's costs for managing EA and EA EX (including participation in EX and GA meetings and working time-related costs);
- m) EA representatives' costs for participation in other meetings with stakeholder organizations and working time-related costs;

- n) Internal auditors' costs including working time-related costs and travel and subsistence costs;
- o) Financial Oversight Committee's working time-related costs and travel and subsistence costs;
- p) EA representative's for other technical and peer evaluation activities not specified above (including working time-related costs and travel and subsistence costs with the pre-authorisation of the EA Executive Committee).

Please note that the travel time can neither be reimbursed as time worked on the activity (working time-related cost) nor as days eligible for per diem.

A1.2 All EA members (hereafter: NAB) participating in the activities listed in A1.1 will be given, based on the Budget and the Work Programme of EA, a mandate for each activity eligible for compensation, which will include the name of person(s) to conduct the activity, the time and duration, the maximum amount of the Daily Rate agreed by EA, and reference to the Commission's scale of per diems to cover accommodation and subsistence costs. The mandate is a Secretariat controlled form.

A1.3 All costs associated with the activity have to be paid in advance by the NAB employing the person performing the activity and will subsequently be compensated by EA according to the rules laid down in this procedure.

A1.4 To request for payment for any activities listed in A1, the NAB has to submit the following forms:

- EASEC-F-OGRfP - Request for Payment for activity under the operating grant t
- EASEC-F-OGReportingSheets – Reporting sheets for activity under the operating grant:

Sheet 2: Person – Daily Rate Calculation

Sheet 4: Monthly Time Sheet

Sheet 5: Consolidated Time Sheet

Note¹: These forms are Secretariat controlled forms which are updated every year and can be obtained on request from the Secretariat. They also are distributed with mandates.

Note²: Sheets, 2 and 4 should not be submitted when the mandate is for reimbursement of travel and subsistence costs only.

A2 Personnel (staff) costs

A2.1 As a general rule EA will reimburse the NAB for the activity performed by the personnel (staff) of the NAB given in the mandate.

A2.2 For each person performing an activity given in the mandate the NAB will be reimbursed at a Daily Rate for working days spent on an activity.

A2.3 The NAB has to provide the personnel (staff) costs applying for each activity and for each of its personnel the respective Daily Rate and the time worked on the activity.

A2.4 Daily Rate

A2.4.1 For calculating actual staff cost the AB must have a time-recording system.

The time-recording system of the AB must allow direct allocation of time worked on activities outlined in A1.1.

A2.4.2 The Daily Rate has to be calculated individually for each person of the NAB in Form 2 (Person – Daily Rate Calculation).

A2.4.3 The number of working days to perform an activity will be agreed / defined in the mandate given to the NAB.

A2.4.4 Any extra working days spent on the activity can only be compensated with the advance pre-authorisation of the Executive Secretary or the EA Executive Committee.

A2.4.5 The amount per day (Daily Rate) has to be calculated by dividing the total personal cost of the person performing the activity by the number of working days (the usual value is close to 220).

Total personal costs: all the salaries and costs entering in the remuneration (group insurances, advantage in kind, etc.) have to be taken into account. The social security charges must also be taken into account.

Working time: time actually worked (excluding holidays, bank holidays, and weekends).

Working days: working time calculated in days.

A2.4.6 In Form 2 the NAB has to use the following methodology in calculating the Daily Rate of the person in Euro:

a) Total personal cost

1	Annual Gross salary	P1
2	Social security (if not included in 1)	P2
3	Employer charger (if not included in 2)	P3
4	Other employer costs (e.g. group insurances)	P4
Total personal cost		P=P1+P2+P3+P4

b) Working days

1	Total days in the year	D1
2	Week-end days	D2
3	Annual holidays	D3
4	Statutory holidays	D4
Working days		WD=D1-D2-D3-D4

c) Daily Rate = P / WD

If the person performing the activity is employed only for a period of the year (i.e. the Gross salary covers only a period of the year), the days in the calculation of the working days will be adjusted accordingly.

Please note that EA and the Commission will ask supporting documents (salary slips, social documents of each person involved, declaration of social security, employer's costs to the national authorities etc.) in order to verify the calculation.

A2.4.7 If the Daily Rate calculated by the NAB is lower than the Daily Rate approved within the EA Budget, EA will compensate the NAB with the calculated Daily Rate.

A2.4.8 If the Daily Rate calculated by the NAB is higher than the Daily Rate approved within the EA Budget, EA will compensate the NAB with the maximum Daily Rate approved by the EA GA.

A3 Travel and subsistence costs

A3.1 For travel and subsistence costs the NAB has to provide the data for all travels of the NAB personnel performing the activities given in the mandate have to be listed.

A3.2 In line with the Commission's existing procedures travel costs will be compensated based on actual costs for air and train fares only.

A3.3 Travel arrangements (booking flight or train, issuing tickets, travel insurance arrangements etc.) for a person other than the employees of EA have to be organised by the NAB employing the person performing the activity.

A3.4 For travel, the general travel policy of the NAB employing the person performing the activity has to be applied, provided that it does not exceed the scales as regulated in A5.2 and A6.2 of EA-1/20. In cases where the NAB scales exceed those allowable by EA, EA will compensate the travel cost based upon quotations for the travel in line with EA1/20 provided by the NAB (information from the travel agency or from internet), but reimbursement is based on the real cost (second class and economy class only) and evidence provided by the NAB of the real costs.

A3.5 Other incidental travel costs (such as taxis, metros, mileage charges etc.) will not be considered for compensation. They are to be covered out of the mandated per diem.

A3.6 In case of cancellation of travel where costs have been expended but no refund or only limited refund is available, the travel cost can be reimbursed, justified by the declaration of the NAB, unless it was due to mismanagement. Justified operational reasons for cancellations can be accepted on a case by case basis.

A3.7 Accommodation arrangements for a person other than the employees of EA have to be organised by the NAB employing the person performing the activity.

A3.8 A per diem is compensated for the days of the meeting or training. The per diem provided covers accommodation, breakfasts, lunches, dinners and local transportation expenses incurred in the country where the meeting or training is taken place. The per diem to be used is defined by the European Commission's scale published at:

<http://ec.europa.eu/europeaid/funding/about-calls-tender/procedures-and-practical-guide-para/diems>

Please note, that the per diem applied has to be according to the date when the activity was performed.

A3.9 When a person attends a meeting or training in his/her home country and the meeting/training venue is within 100 km from the office of the NAB, no per diem will be paid.

A3.10 As a general rule, one per diem per meeting/training (hereafter: meeting) day attended can be paid. The per diem for the meeting days without corresponding overnight stay has to be halved. Examples:

- a) one-day meeting without an overnight stay: half per diem of the country where the meeting took place;
- b) one-day meeting with one overnight stay: one per diem of the country where the meeting took place;
- c) two-day meeting with one overnight stay: one and a half per diems of the country where the meeting took place;
- d) two-day meeting with two overnight stay: two per diems of the country where the meeting took place;
- e) two-day meeting with three overnight stay (with justification of the extra overnight stay): three per diems of the country where the meeting took place.

A3.11 In general, incidentals (including visa fees, meeting/conference fees etc.) have to be covered out of the per diem. In exceptional cases, on request and agreed by EA in advance, fees above €100 may be reimbursed.

A3.12 In case of cancellation of travel where accommodation cost has been expended but no refund or only limited refund is available, the accommodation cost can be reimbursed, justified by the declaration of the NAB, up to the per diem unless it was due to mismanagement. Justified operational reasons for cancellations can be accepted on a case by case basis.

A4 Request for payment

A4.1 When a NAB has completed a task, a request for payment of compensation has to be submitted to the EA Secretariat. As a general rule, requests for payment should be sent to EA when the activity is completed or on a monthly basis, and for activities completed in December, not later than 15th January the following year.

For training, liaison and peer evaluation activities, requests for payment should be sent to EA two weeks after completion of the activity.

A4.2 The request for payment shall be calculated in Euro. The conversion rates shall be used as defined by the InforEuro:

<http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

Please note, that the conversion rate applied has to be according to the day/month when the activity was performed.

A4.3 The request for payment has to be submitted with:

- the full and accurate details of the NAB (as account holder);
- the full and accurate bank details (Name and address of the bank, full account number, Swift Code and/or IBAN number, which are mandatory for payments within the EU Member States);

A4.4 VAT does not apply and must not be added.

A4.5 The request for payment has to be accompanied by the following reporting sheets:

Sheet 1: Internal Staff

Sheet 2: Person – Daily Rate Calculation

Sheet 3: Travel and Subsistence

Sheet 4: Monthly Time Sheet

Sheet 5: Consolidated Time Sheet

Note¹: Sheet 5 should not be provided when the activity concerned has been performed within one month only, in which case Sheet 4 for the month will have to be submitted with the request for payment.

A4.6 The request for payment has to be validated internally by the duly authorised person of the NAB employing the person performing the activity. The Monthly Time Sheets and the Consolidated Time Sheets have to be signed by the staff member who performed the activity and the duly authorised person of the NAB employing the person performing the activity.

A4.7 The reporting sheets have to be accompanied by justifying documents to serve the purpose of verifying the eligibility of the cost declared in the request for payment. The justifying documents have to be kept from the very beginning of the activity.

A4.8 The following justifying documents have to be sent together with request of payment and the reporting sheets:

- For all activities: for each person performing an activity listed in A1.1 the Monthly Time Sheets (for the period covered) in Form 4 and for activities taken place in more than one month the Consolidated Time Sheet (for the period covered) in Form 5;
- For staff costs: justifying documents can be, for example, declaration of annual salaries to the Tax Authorities, declaration of annual statutory taxes to the Authorities, extract of ledger, annual pay slip or other documents authorising deductions that are paid by the employer as a result of the employment agreement with the employee etc. For language reasons, please provide an explanation of how the total salary has been calculated with reference to the respective part of the justifying documents;
- For travel: a copy of the air/train fare invoice, the flight/train ticket and boarding passes. In case of online bookings, the printout of the electronic reservation/ticket and the boarding passes. The documents must show the name of the passenger, class of travel, date and time of travel and the amount paid.

Exceptions for the flight ticket:

- a) If original flight ticket is available, without price on it: keep as well the email confirmation of reservation with the price on it issued by the airline, or the travel agency invoice indicating clearly the price paid, or any other documents that proves the price paid (exceptionally bank/credit card statement is acceptable);
- b) If no original flight ticket is available because the ticket is lost: keep the email confirmation of reservation with the price on it issued by the airline, or the travel agency invoice indicating clearly the price paid, or any other documents that proves the price paid (exceptionally bank/credit card statement is acceptable);
- c) If the ticket is electronic with price on it: a copy must be kept as justifying document;
- d) If the ticket is electronic without the price on it: keep as well the email confirmation of reservation with the price on it issued by the airline, or the travel agency invoice indicating clearly the price paid, or any other documents that proves the price paid (exceptionally bank/credit card statement is acceptable);
- e) If no electronic ticket is available: keep the email confirmation of reservation with the price on it issued by the airline, or the travel agency invoice indicating clearly the price paid, or any other documents that proves the price paid (exceptionally bank/credit card statement is acceptable).

The purpose of having the boarding pass when there is an electronic reservation is to check that the flight actually taken matches with the flight mentioned on the reservation. Exceptions for the boarding pass:

- a) If no original paper boarding pass is available because the member of staff has lost the boarding pass: its absence must be covered by the declaration for the missing travel documents signed by the member of staff and accepted by the duly authorised person of the NAB. Replacing a missing boarding pass by a declaration should remain an exception;
 - b) If an electronic boarding pass was issued: a copy of the electronic boarding pass and its variants are accepted;
 - c) If any possible form of boarding pass does not exist: it must be covered by a declaration with explanation signed by the member of staff and accepted by the duly authorised person of the NAB.
- For meetings: the agenda, the list of participants and a short report;
 - For training: the programme and the list of participants;
 - For EA peer evaluations: the assignment letter and the evaluation plan;
 - For subsistence costs: no other justifying documents are required, but the number of days eligible for per diem has to be given in Sheet 3.

A4.9 The request for payment, the reporting sheets and the justifying documents have to be sent in electronic form (through the dedicated IT tool) as follows:

a) reporting sheets:

b) justifying documents: electronic version or scanned copy

A4.10 If a NAB does not provide the justifying documents already with the request for payment, it will be contacted by the EA Secretariat to provide the documents for the costs and the payment won't be processed until the justifying documents are provided.

A4.11 The NAB has to keep full accurate and systematic records (including the original of the request for payment, reporting sheets and justifying documents) and accounts in respect of the activities, in such a form and sufficiently detailed, to establish accurately the number of working days and the actual expenditure duly incurred for the performance of the activity.

A4.12 All records have to be kept by the NAB for a period of 5 years from the date of payment by EA.

A5 Verification of request for payment

A5.1 For activities of Section A1.1.1 d)-f), the EA Secretariat, within 30 days of the receipt, check and verify the request for payment, the reporting sheets and the justifying documents sent by the NAB to satisfy themselves that relevant, reliable and sufficient evidence exists for the requested compensation.

A5.3 For activities of Section A1.1 g)-j), the EA Secretariat with the involvement of the respective EA main Committee Chair will, within 30 days of the receipt, check and verify the request for payment, the reporting sheets and the justifying documents sent by the NAB to satisfy themselves that relevant, reliable and sufficient evidence exists for the requested compensation.

A5.5 For other activities, the EA Secretariat will, within 30 days of the receipt, check and verify the request for payment, the reporting sheets and the justifying documents sent by the NAB to satisfy themselves that relevant, reliable and sufficient evidence exists for the requested compensation.

A5.6 The check and verification will ensure that:

- the request for payment is according to this procedure,
- the activities listed in the request for payment are in line with the mandate given to the NAB (including the pre-authorisation given by the Executive Secretary or the EA Executive Committee if needed) and the Annual Budget of EA,
- the reporting sheets and justifying documents are attached,
- the amounts claimed as expenditure have actually and necessarily been incurred to complete the mandated task and are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

A5.7 If necessary, the EA Secretariat may ask for further clarification or documentation for justification of the request. If the NAB fails to submit the requested documentation within the same financial year the activity cannot be compensated.

A6 Payment by EA

A6.1 EA does not give any advance payment (cash, cash floats etc.) to the NAB or the person conducting an activity.

A6.2 On the basis of the verification of the request for payment, and on condition that the Operating Grant has been received from the European Commission by EA, EA will make the payment direct to the bank account nominated by the NAB according to clauses 5.5-5.9 of EA-1/20 A:2012.

A6.3 EA will normally within 45 days transfer the amount requested by the NAB to the NAB's bank account. This principle applies to payments fully covered by the pre-financing payment received from the Commission and EFTA by EA according to clause II.24 in the FPA.

A6.4 In case EA cannot finance payments to NABs from the pre-financing payment from the Commission and EFTA, cf. clause 6.3 above, EA will transfer the amount to the NAB immediately after receipt of payment of the balance from the Commission and EFTA according to clause II.24 in the FPA.

A7 Verification by EA or EC bodies

A7.1 The NAB accepts to keep in accordance with A4.11 above all invoices, financial reports and records, documentation concerning income and expenditure, and any inventory necessary to be able to check supporting documents, including timesheets, air and train tickets, invoices, or receipts for incidental expenditure. Failure to maintain such records constitutes a breach of these Terms & Conditions and may result in termination of the involvement it or its personnel have in participation in the activities listed in Section A1.

A7.2 The NAB must permit any person authorised by EA (e.g. Independent auditor of EA), the European Commission or the European Court of Auditors to inspect or audit its records and accounts relating to the activities, and to make copies thereof, both during and after provision of the activity by means of on-the-spot checks of original documents, the implementation of the activity and conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other documents relevant to the payment for the activity.

A7.3 To this end, the NAB undertakes to give appropriate access to staff of bodies mentioned in A7.2 to the sites and locations at which the activity is carried out and to all information, including information in electronic format, needed in order to conduct the audit.

A7.4 If it is found and justified by the check or audit conducted by EA or the Commission that any request for payment made by the NAB was not eligible according to article II.19 in the FPA, the NAB is obliged to repay its amount to the FPA account of EA within 15 days.