

Eligible expenditures of the Bilateral Fund at Programme Level

General rules

When planning and implementing expenditures for the initiatives, it is necessary to proceed on the basis of the **principles of economy, efficiency and effectiveness (3E)**.

All accounting documents (invoices, bills, contracts etc.) must be provided with text **“Financed from the EEA and Norway Grants 2014-2021”**.

Rules for planning of expenditures in the Application

In case that planned expenditures proposed in the Application **exceed the thresholds specified below**, an adequate justification must be included in the relevant part of the Application – Detailed Budget.

The monthly exchange rate of the European Central Bank (ECB)¹ valid in the month of announcement of the relevant open call shall be used as the EUR exchange reference rate for calculation of planned expenditures in CZK. For conversions from other currencies (i.e. NOK, ISK, CHF) to EUR/CZK, we recommend to use the **monthly exchange rate of the ECB** valid in the month of submission of the Application.

An Application is to be submitted by the Czech entity and budgeted in CZK. Planned expenditures of their donor state partner/international organization shall be converted to CZK using the above mentioned exchange rates.

Rules for reporting of actually incurred expenditures

The request for payment is processed in CZK. **Exchange rate for the lump sums shall be same as the EUR exchange reference rate for calculation of planned expenditures in CZK. The other expenditures will be reported by actual ECB exchange rate of the month of the realisation of payment.**

Conversion principles

Options for settlement of expenditures between partners

Czech final beneficiary and donor state partner

- a) The donor state partner proves the expenditure by submitting a copy of the accounting document and the document proving the payment of the expenditure² or by submitting an audit report. The final beneficiary checks the expenditure, verifies its eligibility and then includes it among the eligible expenditure in the payment request. As the payment request is issued in CZK, **the monthly exchange rate of the European Central Bank for the month in which the expenditure was settled** is used for the conversion of the foreign currency into the CZK. After the Czech final beneficiary receives payment from the PO, they are obliged to transfer the

¹ http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/index_en.cfm.

² Only for expenditure above the financial limit of 10 000 CZK.

relevant amount to the donor state partner's bank account within stipulated period or to pay in cash if agreed.

- b) The donor state partner proves the expenditure by submitting a copy of the accounting document and the document proving the payment of the expenditure³ or by submitting an audit report. **The final beneficiary checks the expenditure, verifies its eligibility and immediately reimburses relevant expenditures to the donor state partner.** The relevant expenditures will then be included in the request for payment as final beneficiary's expenditures supported by a copy of the document proving the reimbursement of expenditures to the partner. The Czech final beneficiary receives payment from the PO and no longer sends money to the donor state partner.
- c) In case of expenditures related to the direct cooperation between the Czech final beneficiary and the donor state partner (e.g. flight tickets, accommodation, etc.), these **expenditures can be paid directly by the final beneficiary.**

List of eligible expenditures⁴

Description	Thresholds, rules (incl. VAT)	Documents
Lump sum for international travel costs ⁵	Lump sum 500 EUR per person (for Iceland lump sum 700 EUR per person)	- proved by documents substantiating implementation and eligibility of activities and expenditures (see chapter IX. of the Guideline)
Lump sum for per diems ⁶ , including accommodation, local transport, meals and travel insurance per person ⁷	Per-diems are set according to EU flat rates as presented in Annex 1 to the Commission decision of 18.11.2008 and subsequent updates (see the latest update on page https://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm_en) ⁸ . Per-diems are determined by the number of nights spent abroad.	- proved by documents substantiating implementation and eligibility of activities and expenditures (see chapter IX. of the Guideline)

³ Only for expenditure above the financial limit of 10 000 CZK.

⁴ If not stipulated in the rules in this Guideline and Annex 1, applicants/final beneficiaries are to follow the NFP Guideline for eligible expenditures.

⁵ The applicant may set a lower lump sum in the grant application when standard rate would not be economic and effective with regard to the planned scope and purpose of the initiative (for example foreign travels involving higher number of participants, long term stays etc.) Set rate in the grant application is fixed throughout the implementation of the initiative and final beneficiary/partner is not allowed to increase it from savings in other items in the case of higher actual expenditure.

⁶ In case of providing free accommodation or meals the amount of per diem will be lowered by the amount corresponding to 40 % per diem for accommodation (corresponding amount for accommodation with and without breakfast), 40 % for meals (20 % lunch, 20 % dinner). In case that final beneficiary/ partner does not stay overnight, the per-diem is automatically lowered by 40 %.

⁷ The applicant may set a lower lump sum in the grant application when standard rate would not be economic and effective with regard to the planned scope and purpose of the initiative (for example foreign travels involving higher number of participants, long term stays etc.) Set rate in the grant application is fixed throughout the implementation of the initiative and final beneficiary/partner is not allowed to increase it from savings in other items in the case of higher actual expenditure.

⁸ For Liechtenstein, the same amount is relevant as the mentioned flat rate for Switzerland.

Admission fees – related to the substance of the initiative	Fee per person / number of persons	- accounting document and bank account statement / bill
Accommodation in the country of origin of Final Beneficiary/Partner	Accommodation costs must correspond to usual costs in given place and time and must be selected in line with the 3E principles.	- accounting document and bank account statement / bill
Local business trip expenditures in the country of origin of Final Beneficiary/Partner	Czech entity shall follow the Labour Code, Act No. 262/2006 Coll. as amended. Donor state entity shall follow respective national legislation/internal procedures of the particular entity.	- approved documents related to settlement of business trip
Fees for experts (employees of the FB and partner/s)	Fees must correspond to usual fees in given place and time and follow the 3E principle.	- employment contract of an expert (if applicable) - accounting document and bank account statement / cash expenditure document - proof of work, i.e. timesheet, confirmation of work executed in connection with the initiative
External services (including external experts)	The price shall be specified on the basis of a preliminary inquiry (<i>the common price</i>). The procurement process shall proceed in line with public procurement rules (<i>if relevant</i>).	- order / contract - accounting document and bank account statement / cash expenditure document
Rental of meeting/conference rooms including technical equipment	60 000 CZK /day	- order / contract - accounting document and bank account statement / bill
Refreshment (catering) / meals	1 500 CZK /person/day	- order / contract incl. calculation per person (if relevant) - accounting document and

		bank account statement / bill
Coordination of the initiative	Expenditure on salaries of the FB/partner (in duly justified cases – justification given in the Application form – part Detailed Budget).	- employment contract of the coordinator (if applicable) - accounting document and bank account statement / cash expenditure document - proof of work, i.e. timesheet, confirmation of work executed in connection with the initiative
Consecutive interpretation ⁹	10 000 CZK /day	- order / contract - accounting document and bank account statement / cash expenditure document
Simultaneous interpretation ¹⁰ (including interpretation equipment)	40 000 CZK /day	- order / contact - accounting document and bank account statement / cash expenditure document
Translation of documents ¹¹	600 CZK /standard page	- order / contract - accounting document and bank account statement / cash expenditure document
Other expenditures	Expenditure not specified above necessary and directly connected to the implementation of the initiative. Justification shall be included in the application for grant.	- order / contract - accounting document and bank account statement / cash expenditure document

^{9, 10, 11} Prove of eligibility of translator/interpreter:

1. entry in the register of experts and interpreters or a court interpreter/translator associated in the Chamber of Court Interpreters of the Czech Republic, a member of the Association of Conference Interpreters (ASKOT), a member of the Translators' Guild, a member of the Union of Interpreters and Translators **and/or**
2. a university degree in translating or interpreting, university studies of the relevant language, completed translating or interpreting course, study of the relevant language at a language or other school – state exam, international tests (CV, certificate, diploma) **and/or**
3. proven experience/practice in translating / interpreting (CV, references) **and/or**
4. proven cooperation with translating and interpreting agency, preferably certified **and/or**
5. self-employed, licence no. 69 Translating and interpreting.

Non-eligible expenditures

The following costs are not considered eligible:

- exchange fees, exchange losses;
- interest on debt, debt service charges and late payment charges;
- charges for financial transactions and other purely financial costs, except costs related to accounts required by the FMC, the National Focal Point or the applicable law and costs of financial services imposed by the project contract;
- provisions for losses or potential future liabilities;
- recoverable VAT;
- taxes and indirect costs (overheads);
- costs that are covered by other sources;
- administrative charges;
- fines, penalties and costs of litigation, except where litigation is an integral and necessary component for achieving the outcomes of the initiative;
- excessive or reckless expenditure.