Templates and tools for sub-grants by ENI CBC project beneficiaries

Version for programme bodies

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particip

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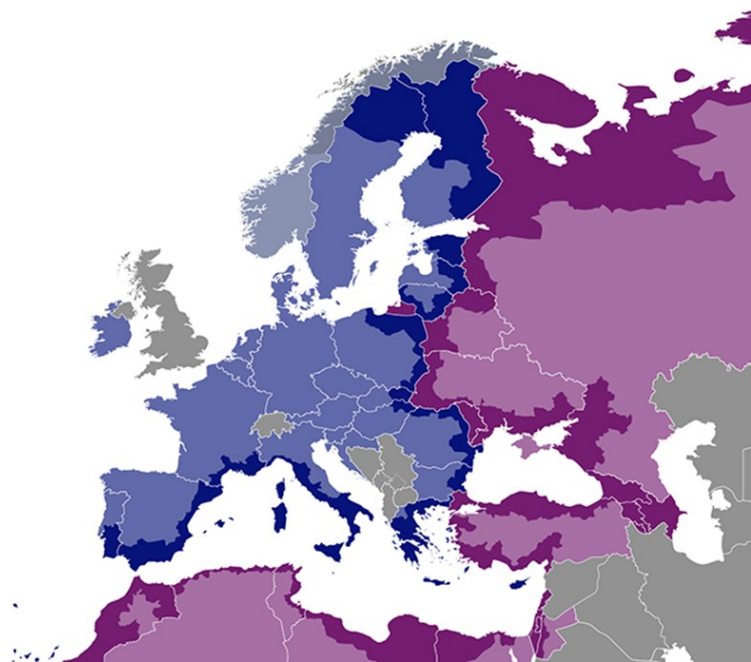
1. Sub-grants in the context of ENI CBC

Europeaid re-introduced the option of **sub-granting** in the context of external funding in 2007. Since then, calls for proposals launched either by the Headquarters or the EU Delegations may include this possibility. However, there is little information in PRAG about how grant beneficiaries should use this tool[1], while there is no provision in the ENI CBC Implementing Rules (IRs) about how the sub-grants should be dealt with. The main legal basis for sub-grants lies in the Omnibus Regulation[2] under the name of **financial support to third parties**.

The **goal** of this document is to **support ENI CBC programme bodies** in developing its own **programme rules and procedures on sub-granting**, as well as providing templates for their **administrative and on-the-spot checks**. Only with clear guidance to the projects launching and managing the sub-grants can the Managing Authority prevent irregularities and later on verify the legality and regularity of the declared expenditure.

1.1. What is a sub-grant?

Let's see two definitions:

> **Europeaid**: *a **sub-grant** is an indirect financial contribution through an EU grant beneficiary to a sub-grant beneficiary (**sub-grantee**) for an action intended to help achieving the objectives of the project for which the grant was awarded.*

> **Article 204 of the Omnibus Regulation**: *where implementation of an action […] requires the provision of **financial support to third parties**, the beneficiary may provide such financial support if the **conditions for such provision are defined in the grant agreement** between the beneficiary and the Commission, with **no margin for discretion** by the beneficiary.*

Both PRAG and the Regulation highlight two key requirements:

1. The **conditions** for sub-grants must be stipulated[3] in the **grant contract**,
2. These conditions must give **no margin of discretion** to the beneficiary.

<u>Which are these conditions</u>?

Information in grant contract	Stipulated in
1. The objectives and results to be obtained with the financial support	PRAG

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[1] See sections 6.9.2 in PRAG 2019.
[2] Regulation (EC) 2018/1046.
[3] PRAG uses the wording: "***strictly defined***".

2. The different types of activities eligible for financial support, on the basis of a **fixed list**	Omnibus Regulation & PRAG
3. The types of persons or categories of persons that may receive financial support	Omnibus Regulation & PRAG
4. The criteria for selecting these entities and giving the financial support	PRAG
5. The criteria for determining the exact amount of financial support for each third entity	Omnibus Regulation & PRAG
6. The maximum amount that may be given[4]	Omnibus Regulation & PRAG

1.2. Sub-grant scheme cycle

The award of sub-grants by project beneficiaries must follow the same type of procedures than a call for proposals, while respecting the principle of proportionality. Even if simplified, there has to be a well-designed and implemented **sub-grant scheme** covering all the process of the financed actions. Considering that the conditions must be defined in the grant contract, we identify a prior stage, called "*inception*", which takes place when preparing the grant proposal.

The **full cycle** is as follows:

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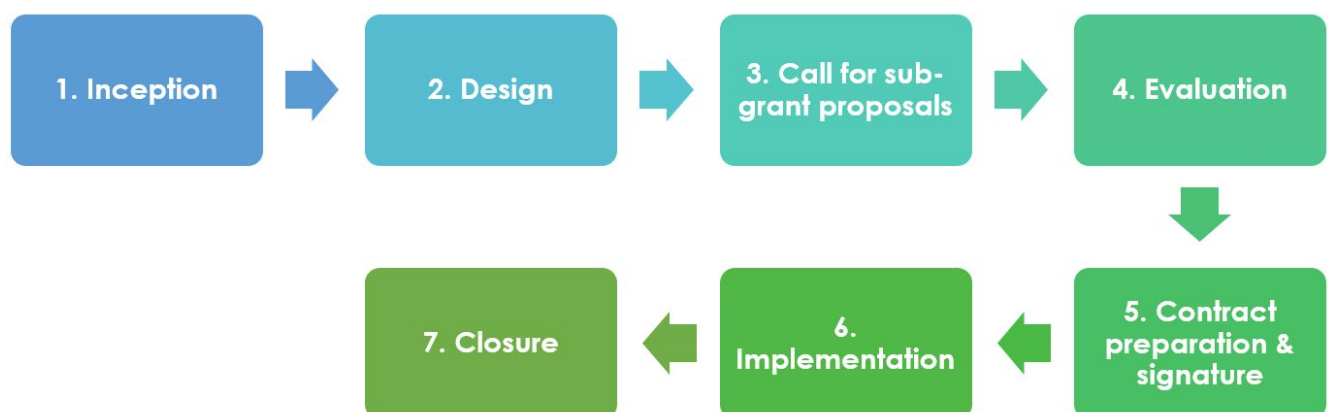
[4]   The maximum amount per sub-grant is 60.000€, according to Omnibus Regulation.

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1.3. Key controls

In the context of ENI CBC, **the programmes may decide on *ad-hoc* rules** to be applied, considering the type of actions, the financing mode and the specificities of the area and potential target groups. However, the present document takes into consideration only the rules in the Omnibus Regulation and PRAG.

Even though the responsibility for the legality and regularity of the sub-grant schemes lies on the grant beneficiaries, the programme bodies must set a number of key controls as a prevention measure. We identify which may be the key controls for each moment of the sub-grant scheme cycle and we provide standard templates for check-lists. These controls must cover the programme specific rules, the requirements stipulated at least in the Omnibus Regulation and, *mutatis mutandis*, the key principles and procedures of a call for proposals.

1.4. The actors

Multiple actors will intervene during the cycle and will produce relevant documents. The actors identified are:

- Managing Authority (MA)
- Joint Technical Secretariat (JTS)
- Lead Beneficiary (LB)[5]
- Beneficiary (BEN)
- Evaluation Committee
- Complaint committee
- Sub-grantee applicants
- Sub-grantee recipients
- Auditors or competent officers carrying out expenditure verification

The **project beneficiaries** will be acting as **contracting authority** for the sub-grantees.

In the tables for each stage in the sub-grant scheme cycle we indicate:

1. The name of the document,
2. If the document is needed for **audit trail** purposes or if it is a **recommendation for good management practice**,
3. Who should prepare or fill it in.

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[5] Called Lead Applicant before grant is awarded.

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2. How to apply the key principles of grants to sub-grants?

Under the assumption that the sub-grant schemes will work as calls for proposals, most of the **key principles** applicable to grants[6] must also be ensured *mutatis mutandis* in the case of sub-grants, namely:

- Transparency,
- Equal treatment,
- Co-financing,
- No-profit,
- No-cumulative award,
- Non-retroactivity.

2.1. Transparency

"The contracting authority shall publish all relevant information in order to enable the potential beneficiaries to obtain timely and accurate information on the actions being undertaken by the Union. The work programme is implemented by publishing calls for proposals and all grants awarded in the course of the financial year will be published annually with due observance of the requirements of confidentiality and security. (PRAG 2019)"

In the same way, the project beneficiary, acting as *contracting authority*, must ensure:

- Development of a call for proposals for sub-grants, including *ad-hoc* sub-grant contract and reporting forms templates,
- Publication by adequate means of all the relevant information allowing the potential sub-grantees to apply,
- Publication of the awarded sub-grants at least once per year.

TESIM's document on sub-grants for project beneficiaries provides in [TESIM library](#) instructions and the main templates for the calls for proposals.

2.2. Equal treatment

"No preferential treatment may be given to any potential beneficiary. This rule applies not only to the process of identifying and selecting beneficiaries but also during the implementation of the action. (PRAG 2019)"

The beneficiary launching the call must clearly state which are the eligibility criteria for applicants to ensure that only adequate applications will be submitted. Moreover, the award criteria and the selection process must be clearly stipulated and must include a complaint procedure.

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[6] See section 2.5.2 of PRAG 2019.

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The Evaluation Committee, must ensure that its members are independent, have no conflict of interest and respect the principle of confidentiality.

2.3. Co-financing

"The costs are shared between the Commission and the beneficiary. This means that a grant awarded for an action cannot fund the entire cost of the action. (PRAG 2019)"

Who must ensure the co-financing? The beneficiary or the sub-grantee? It will depend on how the eligible costs are defined for sub-grants at project level:

- In case of use of **reimbursement of costs**, with the eligibility criteria of the grant contract and financial reporting, **co-financing may be assumed either by one of the project beneficiaries or the sub-grantee**,
- In case of use of **simplified costs**, that is, if the sub-grant takes the form of a **lump sum** or **unit costs**, linked to the delivery of concrete outputs and/or results, **the project beneficiary assumes the co-financing**.

In both cases, the co-financing principle is respected.

2.4. No-profit principle

"Grants shall not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary. (Article 192 of Omnibus Regulation & PRAG 2019)"

While respecting the general principle, the above-mentioned article of the Financial Regulation stipulates that the **no-profit rule does not apply** to, *inter alia*:

a) actions which generate an income to ensure their continuity after the period of Union financing provided for in the grant agreement;

b) study, research, training or education support paid to natural persons or other direct support paid to natural persons most in need, such as unemployed persons and refugees;

c) grants in the form of financing not linked to costs of the relevant operations, but to results measured by reference to previously set milestones or through performance indicators;

d) low value grants (i.e., grants of EUR 60.000 or less).

If programmes stipulate at least one of these conditions (e.g., amount lower than 60.000€) there will be **no need to apply the no-profit principle**.

2.5. No cumulative award

"Each beneficiary may not get more than one grant per action […]. The applicant must specify in the application form any applications and awarded grants relating to the same action or to the same work programme. (PRAG 2019)"

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On the basis of this requirement, clear rules on **no double-funding** must be set in the call for proposals and the sub-grant contract:

- The assessment of sub-grant proposals should also include the verification of any double-funding risk,
- Access to accounting must be granted to auditors sent by the beneficiary, the programme/national bodies or any competent EU body when sub-grants are financed via **direct costs**,
- In case of **simplified costs**, it is important that the conditions for the outputs and/or results include ways to ensure that they are financed only by this sub-grant, for example through visibility.

2.6. No retroactivity

"Financing […] may not be used to finance actions which have already been completed." (PRAG 2019)"

Calls for sub-grants must clearly specify that the actions cannot be completed at the moment of award, but programmes or projects may add as a pre-condition also that the implementation period cannot start before award.

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3. Use of simplified costs

There are several reasons to recommend simplified costs for sub-grants:

- Some t**arget groups would have big difficulties in justifying the cost** with the rules for reimbursement of costs (i.e., how can an entrepreneur justify the staff cost when setting up a new business?)
- The **use of direct costs may significantly increase the costs and the burden** for the beneficiaries and sub-grantees in reporting and expenditure verification, while the use of simplified costs (either lump sum or unit costs) focuses during implementation in the check of the reality and amount of outputs and/or results.
- The **management and control of sub-grants** by beneficiaries and programme/national bodies **may be significantly simpler,**
- There is **no need to check the no-profit principle** if one or several of the conditions mentioned in the previous section are stipulated.
- The co-financing principle may be ensured at project beneficiary level.

Moreover, if we consider *mutatis mutandis* the new stipulation in the Omnibus Regulation[7], the use of **simplified costs is compulsory for grants below 100.000€**.

In order to use the simplified costs by each concerned project, it is necessary to fulfil the conditions stipulated in article 50 of the ENI CBC IRs, that is:

a) *justification concerning the appropriateness of such forms of financing with regard to the nature of the projects as well as to the risks of irregularities and fraud and costs of control;*
b) *identification of the costs or categories of costs covered by lump sums, unit costs or flat-rate financing, which shall exclude ineligible costs as referred to in Article 49.*
c) *description of the methods for determining lump sums, unit costs or flat-rate financing, and of the conditions for reasonably ensuring that the no-profit rule and co-financing principles are complied with and that double financing is avoided.*

Once the amounts have been assessed and approved by the Managing Authority, they will not be challenged by ex post controls.

> In case of use of simplified costs, the **fulfilment of these conditions** has to be **checked ex-ante**. The annex 3 of this document proposes a template for the specific checklist.

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[7] Article 272.27 of Regulation 2018/1046, amending article 67 of Regulation 1303/2013.

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4. Procedures at programme level

4.1. Development of instructions

A key prevention measure for any well-functioning management and control system is the provision of clear instructions for the project beneficiaries. The same principle should be applied also in the case of sub-grants, with the particularity that there are usually little indications in the Guidelines for Applicants and other programme documents.

These instructions should contain, at least:

Project preparation

- Reminder of the conditions for ensuring no margin of discretion, as well as the key principles,
- Procedures for the selection of sub-grant actions by the project beneficiaries,
- Minimum requirements on content of the documents to be included in the application pack of the sub-grant scheme.

Project implementation

- Templates for sub-grant contracts and reporting to beneficiary,
- Eligibility criteria for activities, sub-grantees and expenditure (including co-financing mode and use of direct or simplified costs),

Project control

- Specific provisions in the expenditure verification pack to be performed by auditors or public officers, in accordance to article 32 of the ENI CBC IRs,
- Reminder on the key controls, which must be carried out by the project beneficiary.

4.2. Check of the sub-grant schemes

Each stage of the sub-grant scheme has its own procedures and set of documents, as well as different type of checks to be carried out, both by the beneficiary and the programme bodies. We will use in the tables the acronyms for the actors stated in page 4.

Let's see each stage in detail:

4.2.1. Inception phase

The inception of the sub-grant scheme is produced during the preparation of the grant proposal and the grant contracting procedure.

The documents to keep or to produce during this phase are:

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Audit Trail/ Management	Document	Author
Grant		
Audit trail	Guidelines for applicants for grant proposals	MA/JTS
Audit trail	Questions and answers during the call for grant proposals	MA/JTS
Audit trail	Application form	Lead applicant[8]
Audit trail	Correspondence MA-LB during contracting	MA/JTS & LB
Audit trail	Signed grant contract and annexes	MA/JTS
Key controls		
Management	Eligibility conditions for sub-grants in call for grant proposals (annex 1)	MA/JTS
Audit trail	Criteria for "*no margin of discretion*"[9] in grant contracts (annex 2)	MA/JTS
Audit trail	Extract of the justification of the simplified cost options[10] (annex 3)	MA/JTS
Management	Documentation checklist for inception (annex 4)	MA/JTS

The audit trail of this stage is for the Managing Authority and/or Joint Technical Secretariat.

4.2.2. Design of sub-grant scheme

The design of the sub-grant scheme in full detail must be carried out during the initial stages of the project implementation. It must include the development of all the documents needed for launching the call, selecting and awarding sub-grants, as well as contracting, monitoring, and closing them.

Specific checklists should be used during this phase to ensure the compliance of the sub-grant scheme with the applicable rules and the quality of the produced documents. The

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[8] Including any modification during grant contracting phase or on a later stage.

[9] According to the provisions of article 204 of Omnibus Regulation (Regulation 2018/1046) and section 6.9 of PRAG.

[10] According to the provisions of article 181(4) of the Omnibus Regulation and Annex K to the standard documents for grant calls for proposals in PRAG.

main templates of the documents to be produced at project level may be found in the version for beneficiaries.

The documents to keep or to produce during this phase are:

Audit Trail/ Management	Document	Author
Application pack		
Audit trail	Guidelines for sub-grant applicants	LB
Audit trail	Standard application form	LB
Audit trail	Standard sub-grant contract and annexes	LB
Audit trail	Financial reporting template	LB
Audit trail	Activity reporting template	LB
Audit trail	Declaration on honour template[11]	LB
Evaluation templates		
Audit trail	Opening session report	LB
Audit trail	Administrative grid	LB
Audit trail	Eligibility grid	LB
Audit trail	Evaluation grid	LB
Audit trail	Declaration of impartiality and confidentiality	LB
Audit trail	Evaluation report	LB
Audit trail	Notification letters	LB
Key controls		
Audit trail	Checklist on guidelines for applicants (annex 5)	MA & LB
Management	Documentation checklist on design of sub-grant scheme (annex 6)	MA & LB

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[11] The related PRAG template included a version for grant recipients in the 2018 version.

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With the exception of the key controls, these documents must be kept in the audit trail of the lead beneficiary. However, in case that the call is launched by one or several beneficiaries, but not the lead one, the audit trail should be the responsibility of the concerned ones.

4.2.3. Call(s) for sub-grant proposals

Each project may launch one or several calls for sub-grant proposals. Some projects will launch a joint call, while others may launch one call per territory (or beneficiary).

The steps for the call for sub-grants are:

1. Approval by the project Steering Committee, in case of joint calls
2. Publication of the call at appropriate media
3. Information sessions
4. Questions received before deadline and published questions and answers (Q&A)[12]
5. Submission by applicants (either on paper or preferably via on-line application software)[13]
6. Receipt and registration of proposals

The documents to keep or to produce during this phase are:

Audit Trail/ Management	Document	Author
Audit trail	Minutes of the Steering Committee	LB
Management	Communication to MA/JTS	LB
Management	Correspondence MA/JTS-LB	MA/JTS & LB
Audit trail	Justification of the appropriate media	LB & BEN
Audit trail	Documents related to the info sessions	LB & BEN
Audit trail	Questions received by any mean	Applicants & LB-BEN[14]
Audit trail	Q&A published	LB & BEN
Audit trail	Web pages related to the call	LB & BEN
Audit trail	Acknowledgement of receipt to applicants	LB & BEN

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[12] Any questions received by any mean (in the info sessions, by phone or by email) must be published, together with its answer in the Q&A document. The Q&A document has legal value.

[13] Submission via email is NOT advisable, as the project beneficiaries cannot ensure confidentiality before the opening session.

[14] LB & BEN must prepare a list of questions received at the info sessions and document the questions received via telephone.

Audit trail	List of registered proposals	LB & BEN
Key controls		
Audit trail	Checklist on transparency (annex 7)	MA
Management	Documentation checklist on call for sub-grant proposals (annex 8)	MA & LB

4.2.4. Evaluation

The steps for the evaluation are:

1. Development of the instructions for the Evaluation Committee[15]
2. Set-up of the Evaluation Committee (minimum 3 persons: a chairperson, secretary and evaluators)
3. Set-up of the Complaint Committee (minimum 2 persons)[16]
4. Signature of the declaration of impartiality and confidentiality by the members of both committees
5. Opening session
6. Administrative and eligibility check
7. Assessment of compliant proposals
8. Evaluation session(s)
9. Notification to applicants
10. Reception of complaints
11. Assessment of complaints
12. Notification of resolution of complaint
13. Approval of award decision
14. Reception of whistle-blows

It would be advisable to ensure that the programme's "*whistle-blowing system*" is clearly indicated in the Guidelines for Applicants so that any applicant may report irregularities or suspicion of fraud in a secure and confidential way.

The documents to keep or to produce during this phase are:

Audit Trail/ Management	Document	Author
Management	Instructions to the Evaluation Committee	LB
Audit trail	Appointment of members of the Evaluation Committee	LB & BEN

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[15] Including a clause on procedure in case of conflict of interest and whistle-blowing system.

[16] The members of the complaint committee have to be independent from the evaluation committee.

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Audit trail	Appointment of members of the Complaint Committee	LB & BEN
Audit trail	Signed declarations of impartiality and confidentiality	Evaluation Committee
Audit trail	Administrative grids filled-in	Evaluation Committee
Audit trail	Eligibility grids filled-in	Evaluation Committee
Audit trail	Opening session report	Evaluation Committee
Audit trail	Notifications of conflict of interest by evaluators	Evaluation Committee
Audit trail	Evaluation grids filled-in	Evaluation Committee
Audit trail	Evaluation report	Evaluation Committee
Audit trail	Signed and sent notification letters to applicants	LB & BEN
Audit trail	Registered complaints from applicants	LB & BEN
Audit trail	Assessment report from complaint committee	Complaint Committee
Audit trail	Signed and sent resolution letters to applicants with complaints	Complaint Committee
Audit trail	Final list of awarded sub-grants and reserve list after resolution of complaints	LB & BEN
Management	Whistle-blowing report for evaluation for evaluation stage	LB & BEN
Key controls		
Management	Quality review on evaluation (annex 9)	MA & LB
Management	Documentation checklist on evaluation (annex 10)	MA & LB

4.2.5. Contract preparation and signature

The steps in contract preparation and signature are:

1. Contacts with awarded applicants (case-by-case, for example, e-mail exchange, pre-contracting meeting)
2. Preparation of the contract dossiers
3. Signature of contracts
4. Decision on the use of reserve list
5. Publication of the list of signed contracts

The documents to keep or to produce during this phase are:

Audit Trail/ Management	Document	Author
Audit trail	Minutes of any pre-contracting meetings	LB & BEN
Management	Record of any contact with awarded applicants (email, telephone, etc.)	LB & BEN
Audit trail	Contract dossiers	LB & BEN
Audit trail	Signed contracts	LB & BEN
Audit trail	Report on availability of funds after initial contract signatures for use of reserve list	LB & BEN
Audit trail	List of reserve sub-grants finally accepted for financing	Evaluation committee
Audit trail	Published list of signed contracts	LB & BEN
Management	Risk assessment grid for each contract (1st version at contract signature)	LB & BEN
Management	Risk register (1st version at contract signature)	LB & BEN
Management	Dashboard with indicators and target values in awarded contracts	LB & BEN
Key controls		
Management	Quality review on contract preparation and signature (annex 11)	MA & LB
Management	Documentation checklist on contract preparation and signature (annex 12)	MA & LB

4.2.6. Implementation

Two main type of activities will be carried out during sub-grant implementation: monitoring and administrative checks (reporting, expenditure verification and payment). We exclude from this analysis the communication activities.

The **monitoring** activities may include:

1. Information sessions with the sub-grantees
2. Visits to activities organised by the sub-grant recipients
3. On-going support to sub-grant recipients
4. Management follow-up meetings with sub-grant recipients
5. Update of risk assessment
6. Compilation of consolidated monitoring information

The documents to keep or to produce for **monitoring** are:

Audit Trail/ Management	Document	Author
Management	Sub-grant implementation manual	LB
Management	Documentation related to the info sessions to sub-grantees	LB & BEN
Management	Mission reports for participation in activities	LB & BEN
Management	Questions and answers document on implementation (uploaded in website)	LB
Management	Minutes of management follow-up visits	LB & BEN
Management	Updated individual risk assessment grid	LB & BEN
Management	Updated risk register	LB & BEN
Key controls		
Management	Quality review on monitoring (annex 13)	MA & LB
Audit trail	Checklist on compliance of visibility rules (annex 14)	MA, LB & BEN
Management	Documentation checklist on monitoring (annex 15)	MA & LB

The sub-grantees must also respect the visibility rules in accordance with article 79 of the ENI CBC IRs and any additional programme rules. The template proposed in annex 14 includes the main elements of the Commissions guidance mentioned in article 79.3, as well as room for adding programme specific requirements.

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The **administrative and payment** activities will include:

1. Initial payment at contract signature
2. Submission of interim/progress reports by the sub-grant recipients
3. Administrative checks
4. On-the-spot checks
5. Update of the risk assessment
6. Interim payments
7. Compilation of consolidated information

The documents to keep or to produce for **initial and interim payment** activities are:

Audit Trail/ Management	Document	Author
Audit trail	Initial payment authorisation	LB & BEN
Audit trail	Interim/progress narrative reports	Sub-grantees
Audit trail	Financial reports & payment claims	Sub-grantees
Audit trail	Expenditure verification reports	Auditor
Audit trail	Requests of clarifications and/or additional documentation to sub-grantees	LB & BEN
Audit trail	Correspondence with sub-grantees on requests for clarification/documentation	Sub-grantee & LB-BEN
Audit trail	Updated reports and payment claims	Sub-grantees
Audit trail	Payment claim compliance notification	LB & BEN
Management	Updated individual risk assessment grid	LB & BEN
Management	Updated risk register	LB & BEN
Management	Financial execution dashboard	LB & BEN
Management	Updated dashboard with current values for indicators	LB & BEN
Key controls		
Audit trail	Initial payment checklist	LB & BEN
Audit trail	Interim/progress narrative report checklist	LB & BEN
Audit trail	Financial report & payment claim checklist for financial regime of reimbursement of costs	LB & BEN

Audit trail	Payment claim checklist for financial regime of simplified costs	LB & BEN
Management	Quality review on administration and payment (annex 16)	MA
Management	Documentation checklist on administration and payment (annex 17)	MA

4.2.7. Closure

The main goal of the closure is to verify that the sub-grant finalised its implementation successfully, achieving its results and ensuring compliance with all the applicable rules, as well as to prepare the open-to-control period following closure.

The steps in for the **final payment** are:

1. Submission of final report by sub-grant recipients
2. Administrative checks
3. Compilation of consolidated information

The documents to keep or to produce for **final payment** issues are:

Audit Trail/ Management	Document	Author
Audit trail	Final reports	Sub-grantees
Audit trail	Payment claims	Sub-grantees
Audit trail	Expenditure verification reports	Auditor
Audit trail	Requests of clarifications and/or additional documentation to sub-grantees	LB & BEN
Audit trail	Correspondence with sub-grantees on requests for clarification/documentation	Sub-grantees, LB & BEN
Audit trail	Updated reports and payment claims	Sub-grantees
Audit trail	Final payment claim authorisation	LB & BEN
Management	Financial execution dashboard	LB & BEN
Management	Updated dashboard with final values for indicators	LB & BEN
Key controls		
Audit trail	Final report checklist	LB & BEN

Audit trail	Payment claim checklist for financial regime of reimbursement of costs	LB & BEN
Audit trail	Payment claim checklist for financial regime of simplified costs	LB & BEN
Management	Quality review on final payment (annex 18)	MA
Management	Documentation checklist on final payment (annex 19)	MA

In **preparation of the post-implementation period**, the activities may be:

1. Information to sub-grantees on commitments after closure
2. Set-up of a contacts database
3. Set-up a database of location of archives of original documents

The documents to keep or to produce for **preparation of the post-implementation period** are:

Audit Trail/ Management	Document	Author
Management	Instructions for closure	LB
Audit trail	Contacts database	LB & BEN
Audit trail	Location of archives database	LB & BEN
Key controls		
Management	Documentation checklist on preparation to post-implementation (annex 20)	MA & LB

4.3. Specific expenditure verification procedures

The verification of expenditure of the projects with sub-grants has specific requirements, as the eligibility of the expenditure by the sub-grantees (in case of reimbursement of costs) or by the project beneficiaries (in case of simplified costs) relies also in the respect of the rules during the whole sub-grant scheme cycle. Therefore, the programme will have to decide if the auditor or competent public officer is involved in the checks from inception to closure, or only for some of them. The programme bodies may assume the direct check of some of the initial stages.

TESIM developed an adapted "*Expenditure verification pack for projects with sub-grants*", which may be found in the library of its website.

4.4. Administrative verifications and on-the-spot checks

Specific provisions have to be included in the checklists for the administrative verifications, which will be carried out by the Managing Authorities, with support from Joint Technical Secretariats, if needed be. The conclusions of this section of the checklist should lead to the eventual acceptance of the expenditure declared on sub-grants.

The on-the-spot checks to projects with sub-grants may have a specific area of work on the verification of its implementation. Ad-hoc missions focused only on sub-grants may also be envisaged. The checklists included as annex to this document may be used either for the administrative verifications or the on-the-spot checks.

ANNEXES

Annex 1: Checklist on eligibility conditions for sub-grants in call for grant proposals

Annex 2: Checklist on criteria for "*no margin of discretion*" in grant contracts

Annex 3: Checklist on the justification of the simplified cost options

Annex 4: Documentation checklist for inception

Annex 5: Checklist on application pack

Annex 6: Documentation checklist on design of the scheme

Annex 7: Checklist on transparency

Annex 8: Documentation checklist on call for sub-grant proposals

Annex 9: Quality review for evaluation

Annex 10: Documentation checklist on evaluation

Annex 11: Quality review for contract

Annex 12: Documentation checklist for contract

Annex 13: Quality review for monitoring

Annex 14: Checklist on compliance of visibility rules

Annex 15: Documentation checklist on monitoring

Annex 16: Quality review on initial and interim payments

Annex 17: Documentation checklist on initial and interim payments

Annex 18: Quality review on final payments

Annex 19: Documentation checklist for final payments

Annex 20: Documentation checklist on preparation to post-implementation