

ELIGIBILITY OF EXPENDITURES

Project Title: *Fostering the Culture of Participation in Regional Reconciliation Dialogue – District of Reconciliation*

Grant Contract No.: (CRIS) IPA III/2024/460-910 – PC-46494

Call for Proposals: *ART FOR RECONCILIATION – OPEN CALL FOR SOCIALLY ENGAGED PROJECTS*

(Financial Support to Third Parties programme – FSTP)

General Eligibility Requirements

Expenditure is eligible for funding when it complies with the applicable regulatory framework and fulfils all of the following conditions:

- It relates to costs arising from the implementation of a project approved by the Evaluation Committee and aligned with activities listed in the Contract;
- It is incurred during the preparation and implementation phases of a project that contributes to the objectives of the Call;
- It complies with the rules of this Open Call, national and EU regulations, and procurement procedures (PRAG Version 2021.1 – 24 June 2022: <https://intpa-eccontent-public.s3.eu-west-1.amazonaws.com/ePrag/2021.1/ePrag-en-2021.1.pdf>);
- It is essential for achieving the project's objectives/results and would not have been incurred if the project were not implemented;
- It is included in the approved project budget;
- It is not financed by any other EU funds or external financial contributions.

Documentation

Supporting documentation must be retained either as originals, certified true copies, or on commonly accepted data carriers, including digital and electronic formats.

Grant Disbursement Schedule

Grants will be disbursed in three instalments, as follows:

First instalment (60%) – Advance payment, transferred upon the signature of the grant contract between the Granting Authority (Local Democracy Agency Subotica) and the awarded applicant.

Second instalment (20%) – Transferred upon the successful implementation and documentation of the mandatory local premiere or first public presentation of the project.

Final instalment (20%) – Balance payment, transferred following the project's confirmed participation in one or more District of Reconciliation festivals, and upon submission of final narrative and financial reports.

All payments are subject to the fulfilment of contractual obligations, compliance with visibility requirements, and approval of relevant documentation.

Non-Eligible Expenditures

The following costs are **not eligible**:

- Fines, penalties, and litigation costs
- Gifts
- Exchange rate losses
- Interest on debt
- **Value Added Tax (VAT):** VAT is **NOT an eligible cost** under this Call. All invoices must be issued **excluding VAT**, in accordance with EU rules and PRAG provisions. Beneficiaries are required to obtain VAT exemption following national procedures **prior to project implementation**. Only VAT-exempt invoices will be accepted.
- Bank charges (unless related to a separate project account)
- Currency conversion and other financial charges (except cross-border transaction fees)
- Internal service fees between project partners
- Purchase, rent, or lease of real estate
- Land purchases
- Tips and gratuities
- Guarantee and insurance costs (unless legally required)
- In-kind contributions (e.g. free use of venues, unpaid work)
- Non-salary benefits not appearing on payslips
- Office running costs (e.g. rent, utilities, office supplies, phone/internet bills, administrative overheads)
- Purchase of equipment (e.g. computers, cameras, audio/visual equipment, technical gear)

Additional ineligible expenditures include:

- Any costs incurred after the defined implementation period;
- Commissions, dividends, and profit payments;
- Purchase of business shares or stock;
- Private consumption;

- Subcontracted activities that inflate project costs without proportional added value;
- Subcontracting between project partners;
- Unpaid invoices or unclaimed discounts;
- Percentage-based contracts (e.g. success fees);
- Goods or services not directly related to the project;
- Costs not clearly linked to the Lead or Partner organisation;
- Any form of **double financing** (expenditures already funded by EU or other sources).

Expenses not explicitly listed above are **not automatically eligible**.

Eligible Expenditure Categories

2.1 Staff Costs

Costs of internal personnel engaged by the partner institution for administrative or professional project duties.

Includes gross salaries, social security charges, and related costs for staff employed under formal contracts or equivalent appointing acts.

Travel, Meals and Accommodation

Eligible expenditure under this category includes essential and easily justifiable travel, accommodation, and meal costs directly linked to the implementation of the project. Only cost items that are administratively feasible to justify and likely to be exempted from VAT under national and EU procedures will be accepted.

Allowable costs include:

- **Transport tickets** (bus, train, airplane – economy class only)
- **Minivan or bus rental services**, with full invoice issued by the registered service provider
- **Accommodation costs** in hotels or similar facilities, supported by official invoices
- **Meal costs** for project participants, only if supported by invoices from registered providers (no lump sums or daily allowances)
- **Fuel costs** for project-related transport may be accepted, provided that the invoice is VAT-exempt and clearly linked to project implementation

Important:

- Only services invoiced by legal entities (registered service providers) will be accepted.

- Costs such as car mileage reimbursements, tolls, vehicle insurance, and informal/private transport arrangements will **not** be accepted as eligible.
- All travel-related expenses must be clearly tied to specific, approved project activities and listed in the project budget.
- Applicants are required to apply for VAT exemption through the appropriate national procedures before incurring any of these costs.

Project Costs and Services

Includes:

- **Authors' fees / Service Contracts:** for natural persons under intellectual property contracts or freelance service contracts. All amounts are gross.
- **Materials for artistic production:** (e.g., costume materials, prop materials, canvases, paints, etc.)
- **Rental of technical equipment:** (e.g., lights, instruments, cameras, stands)
- **Accommodation, meals, refreshments:** when linked to specific project activities
- **Professional artistic services:** including
 - Set construction, costume tailoring, prop making
 - Sound/music production, film editing, multimedia design, etc.
- **Venue rental** for performances, exhibitions, screenings, studio recordings etc.
- **Printing:** books, catalogues, magazines

Other Services

Miscellaneous costs necessary for successful project delivery that do not fall under predefined budget categories.

Visibility Costs

Costs aimed at ensuring visibility of the project and acknowledging EU support, including:

- Graphic design and printing (flyers, posters, brochures)
- Online promotion (ads, content creation, video teasers)
- Media outreach (press releases, PR services)
- Video or audio documentation
- Visibility materials (banners, roll-ups, branded items)
- Reporting of project results (photos, videos, reports)

All visibility actions must follow EU visibility guidelines:

https://international-partnerships.ec.europa.eu/knowledge-hub/communicating-and-raising-eu-visibility-guidance-external-actions_en