

# **Financial rules and regulations for MSP-TMT grants**

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## 1 Introduction

### 1.1 Brief outline of the Mena Scholarship Tailor Made Training programme

The MSP aims to contribute to democratic transition in the selected countries. It also aims at building capacity within organisations, by enabling employees to take part in short courses in the Netherlands. Aside from the short course component, Tailor-Made Training (TMT) is offered under MSP for candidates from **Oman** and **Syria**. TMT is designed to enhance the knowledge and skills of a group of professionals with common training needs, and/or the overall functioning of an organisation through the training of its staff.

The TMT programme is open to groups of professionals with common training needs from a broad range of organisations ranging from educational institutions, research institutes, ministries and non-governmental organisations to small and medium-sized enterprises.

### 1.2 Introduction to the financial rules and regulations for MSP-TMT grants

These financial rules and regulations will elaborate on the financial and administrative aspects that apply for MSP-TMT.

Depending on the amount of the grant award budget, there are different grant and reporting requirements. The specific reporting obligations are divided into two arrangements. When necessary the specific reporting obligations for two project arrangements have been specified. The two arrangements are:

1. projects with a grant award budget of less than EUR 125,000 and more than or equal to 25,000;
2. projects with a grant award budget of less than EUR 25,000.

## 2 Administrative and reporting obligations

### 2.1 General administration rules

MSP TMT should be implemented in an effective and accountable manner.

In order to obtain the MSP-TMT funding as specified in the grant letter, in most cases the provider must keep an orderly administration. This is required for grants for which:

- the provider is required to give a statement of actual costs related to the outputs (grants of less than EUR 125,000 and more than or equal to 25,000, see par 3.2.1)
- in case of co-funding, the provider is required to give a statement of co-funding the MSP-TMT.

In these cases, the provider must keep an administration based on orderly records from which it can be established that:

- Expenditure is taking place in accordance with the grant letter.
- Expenditure is being recorded under the proper headings.
- Expenditure is not in breach of legal regulations that apply in the country where the TMT is being conducted.
- Expenditure, including time spent, is identifiable and verifiable and can be backed up with original documents presented as supporting evidence. A time registration procedure or system should be used, which should be in accordance with the time registration procedure/system accepted by the audit firm of the provider. In case such a time registration procedure/system is not in place and/or not accepted by the audit firm of the provider, the Nuffic registration format is to be applied. This format is available from Nuffic on request.
- Authorisation of expenditure is in accordance with the local procedures and subject to a system of internal control.

Furthermore

- Procedures allow for an efficient implementation of the TMT.
- The administration is open to external control.
- A transparent administration of petty-cash transactions should be kept.
- Any earned interest that remains after bank costs have been deducted must be added to the project funds.

### 2.2 Obligation to report on changes

Throughout the project period, the providers are obliged to inform Nuffic in writing as soon as is likely that:

- a. The Tailor-made training course mentioned in the grant will not be achieved, will not be achieved in time, or will not be achieved in full (number of activities; minimum number of participants, etc.)
- b. The grant obligations will not be met, not be met in time or will not be met in full.

If Nuffic is not informed about the changes to the Tailor-made training course that have occurred previously, this may lead to the amendment or withdrawal of the grant awarded by Nuffic.

## 2.3 Tailor- made training budget

A budget is to be submitted by the Dutch Provider as part of the proposal. This budget is to cover the entire tailor-made training period, including the preparation time.

The following apply:

- The budget must be in accordance with the criteria mentioned in these Financial rules and regulations for MSP-TMT grants and should be submitted in the prescribed format for budgets and statements of expenditures.
- The budget should be linkable to the activities as mentioned in the activity plan for the training in question.
- The fees used to calculate the price of the proposal may be lower than the fees listed in the *List of fees* prescribed for the MSP-TMT programme (see paragraph 4.6).
- In case of co-funding, the budgeted amount of own or other contribution must be visible in the budget.

MSP-TMT has a prescribed financial format for budgeting. The use of the Excel format on the Nuffic website is compulsory.

## 2.4 Anti-corruption clause

The grant recipient must not offer to third parties or seek or accept from or be promised by third parties, for himself or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, if this could be interpreted as an illegal or corrupt practice. Such practices may provide grounds for the withdrawal of the grant or part thereof.

## 2.5 Transfer of property and copyright

All training material purchased (including software) from the training budget will be held at the exclusive disposal of the training. Any training material which the provider budgeted and purchased in connection with the training becomes the property of the requesting organisation after the training period.

Both implementing parties Requesting Organisation and Provider are jointly considered owner of all materials wholly or partly produced with the help of the grant. If materials wholly or partly produced with the help of the grant are published, they must be published under the Creative Commons License – Attribution Non-commercial, with the exception of images and illustrations. This means that the author or licensor retain their

copyrights<sup>1</sup> but share their materials under this Creative Commons License. Third parties wishing to make use of these materials are free to do so under the same conditions: 1. not for commercial purposes, 2. cite (attribute) the work in the manner specified by the author or licensor.

## 2.6 Inquiry, Instructions & Sanctions

Nuffic reserves the right to conduct (or to appoint a third, independent party to conduct) an inquiry into the activities carried out in the context of the training. Among other things, this means examining the reports and financial records. The grant recipient will cooperate fully with such an inquiry and will, amongst other things, grant access to any documents that are requested.

Nuffic can suspend activities, withdraw or amend its award of this grant, and/or demand the return of all or part of any sum it has already transferred, under the following conditions:

- if the provider and requesting organisation fail to fulfil the obligations, including reporting obligations, associated with the grant or fail to fulfil them on time;
- if money is spent for a purpose other than that for which it was intended;
- if a third party also contributed to the activity in question without Nuffic being informed of the third party's involvement;
- If training activities are so far behind of schedule or progress is otherwise so slow that it is doubtful that the training objectives will be achieved;
- If the provider and the requesting organisation cannot reach agreement on how the training is to be carried out or if cooperation between the Parties is lacking;
- If irregularities or fraud occur;
- If parties appear to offer or give to a third party or solicit or accept from a third party any gift, reward, compensation or benefit of any kind and in a way that could be construed as illegal or corrupt.

Before Nuffic decides to withdraw or change the grant, the parties will be heard on the matter.

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<sup>1</sup> The author or licensor provide the funder the opportunity to use their copyrights and materials if this suits the purposes of the underlying policies of the grant.

### 3 Reporting, payments and settling the account

Depending on the amount of the grant award budget, there are different reporting requirements. The specific grant and reporting obligations for three project arrangements have been specified in this paragraph, for projects with a grant award budget:

- Of less than EUR 25,000 see 3.1;
- Of less than EUR 125,000 and more than or equal to 25,000 see 3.2;

#### 3.1 Projects with a grant award budget of less than EUR 25,000.

##### 3.1.1 Reporting

The grant will be awarded as a lump sum. It is not necessary for the provider to submit (a) statement(s) of expenditures.

Within two months after the end of the tailor-made training, the provider must show in a narrative report that the outputs for which the grant was awarded have been performed and are in accordance with the Financial rules & regulations for MSP-TMT grants. A format for the narrative report will be sent together with a grant award.

##### 3.1.2 Advance payments

Advance payments will be made up to 100% of the total grant award budget, as stipulated in the grant. The advance payment can be divided; if so, the amount(s) and payment date(s) will be set in the grant award letter.

##### 3.1.3 Settling the account

The account will be settled together with the grant or by a date specified in the grant award letter.

#### 3.2 Projects with a grant award budget less than EUR 125,000 and more than or equal to EUR 25,000

##### 3.2.1 (Financial) Reporting

The grant will be awarded in the form of a lump sum related to the (expected) output(s), based on the Tailor-made Training budget as submitted by the provider. Nuffic reserves the right to remove ineligible costs from the budget. As a result, the grant amount may be lower than the budget requested. For information about eligible costs see paragraph 4 Eligibility of costs.

Within two months after the end of the tailor-made training the provider is required to show in a narrative report that the output(s) for which the grant was awarded, are implemented and achieved, and are in

compliance with the obligations in the grant award letter and the Financial rules & regulations for MSP-TMT grants.

Nuffic can determine in the grant award letter that after the project period, the provider is required to give a statement of actual costs related to the outputs. The costs mentioned in the statement of actual costs must be incurred within the period of the grant and signed by the legal representative of the provider. No statement of expenditures is required.

### 3.2.2 Advance Payments

The provider will receive an advance payment to implement the MSP-TMT tailor-made training. Nuffic will supply an advance payment to the maximum of 80% of the budget within 60 days after the date of the grant letter. The remaining 20% will be reimbursed in the form of a final settlement after the final report has been approved.

### 3.2.3 Settling the account

- The account will be settled based on the output(s), after Nuffic has received and approved the documents provide by the provider which shows that the output(s) for which the grant was awarded are implemented and achieved (See 3.2.1).
- If applicable, the statement of actual costs is to be signed by the legal representative of the provider and can be submitted in soft copy.
- The grant will be set at an amount corresponding to the actual eligible costs minus the actual own and/or other contributions in case of co-funding. If the actual contribution is less than the minimum required amount of co-funding as specified in the grant award, the grant will be set at an amount corresponding to the actual eligible costs minus the minimum contribution.
- Expenditures exceeding the available tailor-made training budget will not be reimbursed.
- After the account is settled, any funds that have not been spent should immediately be returned to Nuffic.

## 4 Eligibility of costs

### 4.1 Introduction

As not all costs are eligible for MSP-TMT funding, the provider as well as the audit firm should take these financial rules and regulations, among other formal documents such as the grant letter and, if applicable, other formal correspondence, into account.

The cost items mentioned below are applicable to all MSP-TMT grants. However, if administrative requirements are mentioned (e.g. documentation of invoices, time registration etc) this is only applicable for grants for which:

- the provider is required to give a statement of actual costs related to the outputs (see par 3.2.1)

For these grants, costs must be real (made and paid) and documented. This means that lump-sums and fixed-fee rates can only be used if specified as such in these Financial Rules and Regulations. Any discounts on equipment, materials, airline tickets, etc. purchased should be refunded to the tailor-made training.

Please note that the following costs are never covered by the tailor-made training and should therefore not be included in any part of the tailor-made training budget or statement of expenditures:

- Salaries, incentives, fees, allowances or any other rewards paid or to be paid for the time which staff of the Requesting Organisation of the tailor-made training spends on the tailor-made training (see also subsequent paragraph 4.2.2).
- The cost of replacing staff members that are working on the tailor-made training.

These costs will have to be paid by the Requesting Organisation/Organisations.

MSP-TMT will cover eligible costs only. These are specified in detail in the following paragraphs. The budgeted items and expenditures are subject to approval by Nuffic.

## 4.2 Costs related to visits conducted by staff

### 4.2.1 Costs related to visits made by staff of the provider and its consortium partners

Please note that the actual time spent by staff of the provider and its consortium partners must be identifiable and verifiable and substantiated by original documents, such as pay slips, presented as supporting evidence. A time registration procedure/system should be used in accordance with Paragraph 2.1 concerning the general administration rules.

#### *Staff time*

The actual time spent on a visit, which includes both time spent on preparation and the time spent during the actual visit, can be claimed at the rates indicated in the *List of fees*.

#### *Board and lodging*

For TMT courses taking place in MSP countries, the provider can claim actual costs of board and lodging based on a medium-range hotel (all inclusive); Daily Allowances will not be reimbursed.

If the Dutch institution is not able to arrange a medium-range hotel with full board lodging, the Dutch institution can claim expenses for lodging only and an allowance of € 50 per day. Costs for accommodation, and DSA (if applicable) need to be listed in the budget separately.

The daily allowance lump sum is € 50 per day for a stay in OECD – DAC aid recipient countries<sup>2</sup> and € 75 per day for a stay in other countries including the Netherlands.

The daily allowance can only be claimed if it proven that the days concerned were spent in a hotel for the purpose of the tailor-made training.

#### *International travel*

The costs of a return-trip airline ticket will be reimbursed. The flight should be by the most direct route between the destination and the airport nearest the person's place of residence.

#### *In-country travel*

Travel costs to and from the airport in the Netherlands will be reimbursed up to the amount of a first-class train ticket. Actual travel costs incurred for tailor-made training activities abroad will be reimbursed.

#### 4.2.2 Costs related to visits made by staff of the Requesting Organisation

All costs related to the visits of persons from the Requesting Organisation for management purposes or for taking a course or receiving training, except salary or other rewards of these persons, can be charged to the tailor-made training.

The following rules apply:

#### *International travel:*

The costs of a return trip will be reimbursed (including the airline ticket, airport tax and the visa). The flight should be by the most direct route between the destination and the airport nearest the person's place of residence. (Please note that the airline ticket may not be exchanged for cash.)

#### *In-country travel:*

The costs of local travel in connection with the purpose of the visit will be reimbursed. Visitors are expected to travel by bus, tram and/or train. Travel by taxi will be reimbursed only if other options were not available.

#### *Board and lodging*

For TMT courses taking place in OECD – DAC aid recipient countries, parties can claim actual costs of board and lodging based on a medium- range hotel (all inclusive); Daily Allowances will not be reimbursed.

If the Dutch institution is not able to arrange a medium-range hotel with full board lodging, the Dutch institution can claim expenses for lodging only and an allowance of maximum € 50 per participant per day. Costs for accommodation, and DSA (if applicable) need to be listed in the budget separately.

The daily allowance lump sum is maximum € 50 per day for a stay in OECD – DAC aid recipient countries and maximum € 75 per day for a stay in other countries including the Netherlands. A daily allowance can only be claimed if it can be proven that days concerned were spent in a hotel for the purpose of the tailor-made training.

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<sup>2</sup> List to be found at [www.oecd.org/dac](http://www.oecd.org/dac)

Note: A Requesting organisation is free to pay its own staff more or less than this eligible lump sum, but more than the maximum eligible lump sum cannot be charged to the tailor-made training. Daily allowance for visits of other persons can only be declared if the amounts have been paid to that person or to his/her employer.

Also, the provider can only declare daily allowance for the Requesting organisation's visits if the amounts have been paid to the staff member of -, or to the Requesting organisation.

#### *Insurance*

Participants of a training must be insured when going abroad in the framework of this training. The actual amount that must be paid for insurance should be listed.

Please note that visitor's employers are expected to continue to pay visitor's salaries and these costs can therefore not be charged to MSP-TMT. MSP-TMT only covers an allowance meant to cover visitor's costs, including accommodation, while they are in the Netherlands or the other country being visited. If a visitor is joined by family members, these extra costs cannot be charged to the tailor-made training.

### 4.3 Costs related to training course management and general administrative costs

The actual amount of time spent by the Provider on tailor-made training coordination can be claimed at the rates indicated in the *List of fees*. There should be no separate charges for general administrative support, secretarial services (such as arranging of visas, travels, tickets, agenda management, sending e-mails and/or making telephone calls) and time spent on bookkeeping. This is considered overhead, and these costs are included in the rates charged for tailor-made training coordination. Costs of language training cannot be charged to the tailor-made training.

Please note that the actual time spent by the Provider's staff must be identifiable and verifiable and must be substantiated by original documents presented as supporting evidence. A time registration procedure/system should be used in accordance with paragraph 2.1 concerning the general administration rules.

### 4.4 Costs related to enlisting services of local and regional external experts

The costs of enlisting the services of local and regional external experts for specific purposes can be covered by MSP-TMT. Remuneration is based on the time spent by the expert and the consulting fee paid to the expert. A 15% handling fee can be added (but this is optional). Only costs made and paid can be charged to the tailor-made training. The consulting fee should be consistent with what the external expert would normally charge for comparable services in the country in question. The budget should include a detailed breakdown of these costs. Nuffic can call on the Dutch embassy for advice if it has any doubts and it has the authority to reject the proposed fee rate.

Note: external experts cannot be employee of the Requesting Party, neither full time nor part time. If an external expert is employee (part-time) of the Requesting Party, the cost for his or her services can never be charged to the tailor-made training.

## 4.5 Principles for other types of costs

Costs can be included in the budget on the following conditions:

- they must be sufficiently specified;
- if the present guidelines do not contain any specific rules or rates that would apply, the rules and rates that apply in general to the Requesting organisation and/or country in question should be used and should be submitted for approval to Nuffic. The provider should exercise common sense in identifying which costs are eligible and which are not;
- if a Requesting organisation uses its own departments to perform services (such as production, printing, distribution, translation, etc.), the fees charged should be consistent with the organisation's own regulations and should not exceed what the organisation would normally charge internally.

## 4.6 List of fees

The fees specified below apply to MSP-TMT funding for training related activities by employees of Dutch organisations or organisations involved as consortium partners that are registered in Europe, North America or Australia. The fee rates are determined by the level of the salary of the individual expert. The fee rates are a lump sum payment for the time of the expert.

The salary groups are considered to be gross monthly income of employees and therefore do not include, among other things, a thirteenth month and a contribution for holiday expenditures.

### **Fees paid to employees of provider (amounts are in Euro)**

For a workday in the Netherlands or on short-term travel.

1.362,00	>	1.589,00	235
1.589,00	>	1.816,00	272
1.816,00	>	2.043,00	307
2.043,00	>	2.270,00	344
2.270,00	>	2.497,00	380
2.497,00	>	2.724,00	416
2.724,00	>	2.951,00	453
2.951,00	>	3.178,00	488
3.178,00	>	3.405,00	524
3.405,00	>	3.632,00	561
3.632,00	>	3.859,00	597
3.859,00	>	4.086,00	634

4.086,00	>	4.313,00	669
4.313,00	>	4.540,00	705
4.540,00	>	4.767,00	742
4.767,00	>	4.994,00	778
4.994,00	>	5.221,00	815
5.221,00	>	5.448,00	850
5.448,00	>	5.675,00	886
5.675,00	>	5.902,00	906
5.902,00	>	6.129,00	925
6.129,00	>	6.356,00	944
6.356,00	>	6.583,00	964
6.583,00	>	6.810,00	983
6.810,00	>	7.037,00	1002
7.037,00	>	7.264,00	1021
7.264,00	>	7.491,00	1040
7.491,00	>	7.718,00	1059
7.718,00	>	7.945,00	1078
7.945,00	>	8.172,00	1097
8.172,00	>	8.291,00	1111

The fees apply to all experts that are employees of the consortium that was described in the tailor-made training proposal. The costs for the experts used during the project period may not exceed the budget as offered in the tender bid.

#### External experts

If external experts are hired that are employees of an organisation (i.e. on a payroll), the fee rates as mentioned above apply. A maximum 15% handling fee can be added (optional).

Please note that handling fee cannot be added for experts who are employees of an organisation that is part of the consortium that was described in the tailor-made training proposal as they are not considered external to the tailor-made training.

If external experts are contracted that are **not salaried employees of an organisation** ("freelance experts"), the actual fee paid to them will be reimbursed. A maximum 15% handling fee can be added (optional).

## 5 Definitions

In these financial rules and regulations, the following words shall have the following meanings:

<b>Budget:</b>	expected costs in relation to outputs, activities, and the required inputs in terms of personnel and materials.
<b>Grant:</b>	maximum financial contribution mentioned in the grant letter, based on the budget-forecast made by the tailor-made training provider.
<b>Grant award:</b>	the decision to award a grant, taken by Nuffic.
<b>Grant letter:</b>	the letter in which Nuffic informs the provider about the decision to award a grant.
<b>Grant period:</b>	the period as from the date stated in the grant letter until the agreed-upon (completion) date of the tailor-made training.
<b>Narrative report:</b>	the report concerning the progress, outputs and outcomes, made during the tailor-made training.
<b>Provider:</b>	selected Dutch organisation that will assist the Requesting organisation with the realisation of the tailor-made training objectives concerning capacity building.
<b>Requesting Organisation:</b>	organisation in a NFP country that requests a tailor-made training course, to be executed with the assistance of a Dutch organisation (the Provider).
<b>Staff Member:</b>	any person that is a full time or part time employee of the organisation.
<b>Statement of Expenditures:</b>	the financial statement of expenditures incurred during the whole tailor-made training period. This statement should be based on actual time spent and actual costs and be in compliance with the approved budget and the financial rules and regulations for MSP-TMT grants. Any discounts on purchased equipment, materials, airline tickets etc. should be refunded to the tailor-made training.