



# Rules for Applicants and Beneficiaries - General section

## Operational Programme

### Research, Development and Education

Programming period 2014–2020

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## Registration sheet

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## List of Changes

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
The whole document	The following terminology was unified across the document: "Granting authority", "Beneficiary" and "legal act on grant award / transfer"	Terminology unification	
2.	<p>Definition change: "Budget measure" renamed to "Deputy minister measure"</p> <p>Definition change: "Date of assumed/actual physical project implementation start" renamed to "Date of physical project implementation start (assumed/actual)" and definition of the term amended.</p> <p>Definition change: "Date of physical project implementation completion" renamed to "Date of (physical) project implementation completion" and the term amended throughout the document.</p> <p>Added definitions: Date of grant award, aid intensity, SME, organisation for research and dissemination of knowledge, undertaking in difficulty, contracted research, research infrastructure, research organisation.</p> <p>Partial amendment of term: "Finance Department": The original wording of line 1 was replaced with: "Department for National Budget chapter administration, ...."</p> <p>Definition of term: "Payment and Certification Authority" extended with: On the basis of Czech Government Resolution No. 448 of 12 June 2013 the Ministry of Finance (hereinafter "MF") was authorised to perform the role of the Payment and Certification Authority hereinafter "PCA") for programmes co-financed from ERDF, FS and ESF funds.</p> <p>Definition deletions: Absorption capacity, administrative capacity, Arachne.</p>	<p>Harmonisation with the wording of the OP RDE Operation Manual.</p> <p>Terminology precision.</p> <p>Deletion of definitions unrelated to preparation, implementation and sustainability of OP RDE projects. Addition of missing definitions.</p>	
4.1	Insertion of a specific type of user dispatches sent to the technical support team	Link to user manual for ISKP (End User Information System).	
4.2	Method of personal consultations agreement added.	Chapter wording precision.	
5	Formulation/formal improvement of the whole chapter.	Better comprehensibility/clarity of text.	



Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
5.1	Specification of the dates of announcement of rounds /continuous calls.	Harmonisation with OP RDE Operation Manual and JMP.	
5.2.	Added method of acceptance of grant application and explanation of documentation form. Added text concerning documentation of annexes to grant application.	More accurate chapter wording.	
5.2	Added information about obligatory nature of User Manual for IS KP14+ - Instructions for Filling Out Grant Application Form.	Condition precision.	
5.2, 5.3	Amended process of grant application filing in compliance with User Manual for IS KP14+: the grant application is filed following completion and signature by the applicant in IS KP14+.	Procedure precision.	
5.2.1.	Further specification of conditions for applicant eligibility.	Condition precision.	
5.2.2.	Sentence precision improvement (underlined text):  Every call will define the place of implementation or the acceptable region of project implementation and impact. The call can define the geographical scope of the projects as covering the whole of the Czech Republic including the capital city of Prague or more specifically as focusing on a socially excluded locality, municipalities with extended powers Added sentence:  In the context of the project implementation the beneficiary does not document the link of the target group to the programme area, unless otherwise specified in the call or the related documentation.	Condition precision.	
5.2.4.	Specification of the content of the obligatory Project management activity in relation to the new obligatory annex Implementation Team.	Text precision.	
5.2.5.1	Newly added sub-chapter Financial Milestones, so far only included in the Rules for Applicants and Beneficiaries - Specific section.	Text transfer from Rules for Applicants and Beneficiaries (Rules for Applicants and Beneficiaries) – Specific section.	
5.3	Further specification of the method of submission of grant applications.	Text precision.	
5.4.3	Correction of footnotes 18 and 20.	Formulation amendment in harmony with the wording of the calls, or the annex Evaluation Criteria.	
5.4.3/5.5	Text concerning the process of negotiation, reservations and recommendations of evaluation committee / selection committee transferred to chapter is a partner 4a) 5.5.	Better clarity of text.	
5.5	Introduction/unification of the term: "Notification on grant application approval/rejection by the MA of OP RDE (internal message).".	Text precision.	
6.2	The original text of sentence 2 of section c) was replaced with: In the case that the applicant / beneficiary is contributory organisations of the state and of territorial self-governing units, state organisations outside the departmental state organization unit, or the founder of contributory organisations of the state and of territorial self-governing units, state organisations, consequently issues its own decision on the provision of Budgetary Rules in which the terms and all formal requirements sent to the MEYS are respected.	Text precision in harmony with JMP.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
6.3	Removal of the obligation to publish the list of recommended projects on the web site of the OP RDE.	Text precision in harmony with JMP.	
6.4	Added explanation of the form of documentation.	Explanation for further precision.	
6.4.	Added further specification of confirmation recency for bank account opening	Amendment of recency requirement.	
7.1	Correction of the text concerning the obligation to provide assistance in implementation of evaluation activities in the context of OP RDE.	Text precision and duplicity elimination.	
7.1.1	The original name of chapter extended with the following text in brackets: "including interim request for payment".	Formulation precision.	
7.1.1.	Part "Deadline for the submission of the Report on project implementation/Request for Payment ". The original wording of sentence 2 partly changed as follows: The first interim report on project implementation and request for payment, including all necessary annexes is to be submitted by the beneficiary within 20 business days after expiration of a maximum of three months28 from the date of the issue of the legal act on grant award / transfer (depending on what occurs later) and each further Report on project implementation/Request for payment within 20 business days; as a rule after the expiration of the previous monitoring period. In the text of the call for proposals or in the legal act on grant award / transfer, the granting authority may state a shorter length of the monitoring period. award / transfer	Further specification of information on submission of the Report on project implementation and Requests for Payments.	
7.1.1.	Part "Requests for Payment issued from the MA level: section c) – the following text was added to the beginning of the last sentence: "In the case that the final Request for payment was already approved by the MA OP RDE and the MA OP RDE decides to meet the request for investigation,	Further specification of information in this part of the Rules.	
7.1.1.	Text correction allowing for addressing compliance with formal requirements only in the course of addressing the report content	Allowing for operative solution depending on the seriousness level of the found drawbacks in the formal check.	
7.1.3	The original wording of the first sentence of paragraph 2 replaced with: "The beneficiary is to submit the project Final report on project implementation containing information covering the period from the last approved Report on project implementation from the date of termination of the (physical) implementation of the project and, at the same time, the period that applies to the physical implementation of the project if the expenditures were paid after the date of termination of the (physical) implementation of the project; however, a maximum of up to the date of submission of the project Final report on project implementation. The beneficiary is to submit the Final report on project implementation together with the final Request	Further information on submission of the final Report on project implementation.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
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7.1.6	In this chapter the original deadline of 10 calendar days was changed to 10 business days.	For compliance with JMP.	
7.2	Added requirement for documentation of relevant justification of all change types	Addition of missing fact.	
7.2	Addition of a description of the process of return of changes for implementation.	Addition of missing fact.	
7.1.2	Amendment of the general definition of unsubstantial change.	Formulation precision.	
7.2.1.1	Improvement of partial definitions of unsubstantial changes.	Formulation precision.	
7.2.1.1	Amendment of project involvement 1,2 – now concerning all workloads of entities involved in the project implementation	The previous wording allowed for drawing of 1,2 involvement by all entities involved in the project implementation.	
7.2.1.1	Precision for allowance organisations with specified obligatory budget indicators	On the basis of OA comment.	
7.2.2	Precision of substantial change definitions, transfer of key activity change from the category of substantial changes, requiring change of the legal act on grant award / transfer, to the category not requiring the legal act change.	The nature of the change requires MA approval but not legal act change.	
7.2.2.3	Added impossibility to change project purpose	Following from Budgetary Rules.	
7.3.5.	"Budget measure" renamed to "Deputy Minister measure" throughout the chapter.	Harmonisation with the wording of the OP RDE Operation Manual.	
7.3.6	A new sentence added to the end of paragraph 2: "In the case of failure to fulfil the sustainability condition the beneficiary will be asked by the granting authority to return the grantor a part of it."	Specification of project sustainability information.	
7.3.6	Amendment of asset handling in the sustainability period.	Addition of so far unaddressed situation.	
8.	Formulation/formal improvement of the whole chapter. Renumbering of chapter parts and their sequence change within the chapter.	Better comprehensibility/clarity of text.	
8.1.1	The following text added to sentence 2: " with the legal act on grant award / transfer to MA OP RDE the request for payment in which it asks for their payment retroactively	Further specification of financing mode information.	
8.1.3.	This chapter was amended to comply with the new wording of the Methodological Guideline for Cash Flows effective since 1 11. 2015.	Amendment according to the new effective version of the Methodological Guideline for Cash Flows effective since 1 11. 2015.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
8.1.4 .	This chapter was extended with sub-chapters called "The applicant / beneficiary is contributory organisation of state organization unit" and "Applicant / beneficiary is contributory organisation of state organisation unit" .	Further specification of information on payments to state organization unit and state-funded institution, state	
8.1.5 .	The ratio of the aid of financial funds between OP RDE programme areas is entered by the applicant into IS KP14+ in the grant application (within the category region, see Chapter Specification of the task in User Manual IS KP14+ – instructions for completing the grant application). This ratio does not represent co-financing within the project from resources of EU, SR and resources of the applicant/beneficiary. Possible variations of this ratio are always stated within the announced call. From the stated ratio between less and more developed, the monitoring system calculates the allocation of sources between the EU, the national budget and the applicant's / beneficiary's resources. The binding level of co-financing is automatically completed in the monitoring system but this value in % of own co-financing may (in some cases must) be modified by the applicant / beneficiary; however, this value must not be lower than set in the calls. During the determination of the level of self co-financing, the applicant may also proceed according to the user manual of IS KP14+ – Instruction for completing the printed form for the grant application	Precision of rules and procedures in project co-financing area.	
8.1.5 .	In the case of the use of the contribution for co-financing the project, the rules of eligibility, documentation and options of use are listed in Chapter 0. In the case of the obligation of the applicant / beneficiary to co-finance the project from their own resources, the obligation to co-finance a binding minimum percentage of the total eligible expenditure of the project is not stated from each demanded expenditure within the submission of the settlement of the stated request for payment for one monitoring period but from the total amount of invoiced eligible expenditure within the stated request for payment. The mode of co-financing will be described by the applicant in the grant application.	Precision of rules and procedures in project co-financing area.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
8.1.5.	Table 1 extended with new footnotes: No. 54 – MA may decide to reduce the level of co-financing of the applicant / beneficiary up to 0 %. No. 55 – "MA may decide to reduce the level of co-financing of the applicant / beneficiary up to 0 %. No. 57 – "This category of applicants / beneficiaries also includes higher education institutions which are o. p. s."	Further information about co-financing by the applicant/beneficiary.	
8.7.2	More precise formulation of eligibility and documentation of eligible expenditure. Added precision of the period of eligibility of post-warranty services and licences. Added text to worksheet documentation.	Need for clarification.	
8.7.2	Informative list of eligible expenditures was specified for Fixed Intangible Assets. Informative list of eligible expenditures was specified for Minor Tangible Assets.	Text precision.	
8.7.2	Personal Expenditures extended with the liability to attach the annex to the Report on project implementation - Implementation Team - including affidavit on compliance with the maximum workload.	Added information about annex to Report on project implementation.	
8.7.2	The section regarding travel expenditure was updated with the reference to currently valid per diem rates. Added requirement for documentation of eligibility of per diem expenditures - submission of documents related to attendance of conferences by foreign experts (seminars and other events) such as call, agenda, photo documentation etc.	Extended requirements for eligible expenditures documentation.	
8.7.3	In-kind contributions - the whole text of this chapter was amended.	Further precision of information and rules of material contributions.	
9.1	This chapter was largely amended in the part of general provisions on controls, inspections and audits, sections 1, 2 and 3 where the names were also changed, and then in the part "Inspection on site" and minor changes were made in the remaining parts of the chapter.	Text precision and amendment of rules for on-the-spot inspection, administrative checks and audits.	
9.2	The text of this chapter was largely amended for the reason of detailing of the rules of inconsistency settlement, partial amendments were implemented in the part entitled "Particular description of solution methods for faults of beneficiaries" on sections 1A, 2A., 2B a), and minor amendments were implemented in the part entitled "Breach of budgetary discipline suspicion solution procedure". New additions to the chapter	Precision of the text and the rules in the area of inconsistencies and methods of enforcement of grant return in the case of the beneficiary default.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
	concerning procedures in case of suspected criminal offence.		
10.	Formulation/formal improvement of the whole chapter.	Better comprehensibility and clarity of text	
10.1.3.	The original wording of the last sentence of paragraph 2 was replaced with: " The applicant/beneficiary cannot submit any other request for review in particular subject against resolution of the request for review.	Text precision.	
11.	The underlined has been added: In the grant application, each applicant is obliged to state target, resp. also input values of prescribed output and result indicators of the project and to describe the method of determination of output and target values, incl. the achieving data	Explanation for further precision.	
11.1	The underlined has been adapted: Every project must have at least one result indicator, unless the call if the call or related documentation does not specify otherwise. Eventual links between the output and result indicators are stated in the call.	Explanation for further precision.	
11.1	Changed example of indicator with calculation rule.	Changed according to the current version of the Aggregation Map of Indicators.	
11.1	Inserted table with indicator - milestone survey pursuant to state-funded institution.	Explanation for further precision.	
11.1	Paragraph: Indicator value – deleted sentence in section c: The achieved values of certain indicators are specified in absolute numbers ...	Incorrect example removed.	
11.1	Grant application Added sentence: The project must be designed so that educational activities of any supported person in total amounted at least to the minimum threshold of the small-scale aid	Explanation for further precision.	
11.2	The underlined added: Complete characteristics (type, code, name, definition, unit of measurement, baseline and target value, periodicity) is specified for all indicators for the individual levels of OP RDE in the National codebook of indicators (NCI) and the current accurate definition is available to the applicants  on the web site of the MEYS.	Explanation for further precision.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
	When preparing the grant application the applicant chooses all relevant indicators ...		
11.2	The Managing Authority of the OP RDE may define in the call some indicators with the liability of minimum percentage of fulfilment of the target value by o a certain date. E.g. At least 30 % of the target value of indicator 6 00 00 must be achieved and documented in the Report on project implementation submitted by 31/12/2018.	Added missing requirement for progressive fulfilment of indicators.	
11.3	Added: The beneficiary at all times complies with actual version of the National codebook of indicators of indicators and actual summary of indicators of OP RDE published on web of MEYS.	Explanation for further precision.	
11.4	Added a detailed list of sanctions for non-fulfilment of indicators.	Amended according to the current version of the legal act sample o for grant award / transfer	
12.4.1	Deletion of section 5 ("On supply inspection, unless...") with corresponding renumbering of the following section.	In connection with the system changes in the closed call procurement procedures in the context of operation programmes.	
12.4.2	A. Ex-ante inspection before the start of procurement procedure In connection with specification of relevant supplies with supplier selection by closed call procurement procedures, extension of deadlines for certain supplies (for the reason of the need of external assistance in ex ante inspection) and further the mentioned adaptation of the relevant annex to the Rules for Applicants and Beneficiaries.	In connection with the system changes in the closed call procurement procedures in the context of operation programmes.	
15.	Chapter structure improved for increased clarity.	Text precision.	
15.2	Addition of a separate sub-chapter - Non-economic activities in the area of science, research and innovations	Addition of condition for grant award for RDI not entitled for state aid.	
15.3.1	Added complete name of Commission Regulation (EU) 651/2014 including reference to the Official Journal of EU	Quotation precision.	
15.3.1	Addition of conditions when No. aid can be provided pursuant to Regulation No. 651/2014: The aid according to the Commission Regulation n. 651/2014 cannot be provided:	Additional conditions for compliance with Commission Regulation No. 651/2014.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
	<p>a) To the enterprise, to which a collection order was issued following the Commission decision, in which the aid is declared illegal and not in accordance with internal market;</p> <p>b) To a undertaking in difficulty pursuant to Commission Regulation No. 651/2014;</p> <p>c) To a company active in areas listed in Section 3, Article 1, Chapter I of Commission Regulation (EU) No. 651/2014.</p>		
15.3.2.	Added complete name of Commission Regulation (EU) No. 1407/2013 including reference to the Official Journal of EU	Quotation precision.	
15.3.2.	<p>Addition of excluded areas of support in compliance with Regulation No. 1407/2013:</p> <p>The de minimis aid according to the Commission Regulation n. 1407/2013 cannot be provided:</p> <ul style="list-style-type: none"> <li>a) for fisheries and aquaculture;</li> <li>b) In the area of the primary production of agricultural products enumerated in Annex I to the Treaty on the functioning of the European Union;</li> <li>c) to enterprises active in the area of processing of agricultural products and their market introduction;</li> <li>d) for acquisition of road freight transport vehicles by enterprises performing road freight transport for hire and reward;</li> <li>e) for supporting activities associated with export to third countries or member states, i. e. aid directly associated with exported quantity, establishing and operation of distribution network, or other regular expenses connected with the export activity;</li> <li>f) for export and aid that determines using domestic goods at the expense of imported goods.</li> </ul>	Addition of missing fact.	
15.3.2	Addition of conditions in compliance with Regulation No. 1407/201 in the following parts: one company, governing period, day of grant award, consequences of extending maximum amount of de minimis, accumulation of de minimis support, added recommendation for verification of the disposable limit of de minimis of the applicant, including reference to the Central register of small-scale aid	Précising explanation for better comprehensibility of chapter.	
15.5	<p>Amendment of chapter wording as follows:</p> <p>The beneficiary is liable to implemented goods and service acquisitions (or similar comparable</p>	Quotation precision.	



Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
	<p>transactions) in compliance with the principles of the rules for supplier selection and public procurement procedure regulations to prevent transmission of state aid onto the company. The rules for selection of suppliers are amended in Chapter 12.</p> <p>Completion of text: For the purpose of the evaluation the beneficiary is liable to provide access to the granting authority to all documentation concerning its activity, inside structure etc. any time in the course of evaluation of its grant application as well as subsequent project implementation and sustainability periods, for the purpose of evaluation of the applicant's compliance with the above conditions. To avoid any doubts the following is laid down: For the purpose of evaluation of compliance of the applicant/partner with these conditions the granting authority may check not only formal setting or formal information (for example in public registers), but also actual operation of the applicant/partner.</p>		
17.1	<p>Section c) extended with: In the case of operations supported from the ESF and in appropriate case<sup>1</sup> also operations supported from the ERDF or CF the beneficiary shall assure information of the parties to the operation about the aid provided.</p>	Amended according to the updated version of the Methodological Guideline for Publicity and Communications of ESIF in Programming period 2014–2020.	
17.2	<p>Extension of the list of publicity elements in the introductory part of the chapter with: Obligatory elements defined by the Directive of the European Parliament and of the Council (EU) No. 1303/2013 and further specified by its Implementing Regulation are obligatory for all subjects and all tools (obligatory and optional):— EU emblem, — name "European Union", — Reference to ESIF, — Reference to OP RDE.</p>	Amended according to the updated version of the Methodological Guideline for Publicity and Communications of ESIF in Programming period 2014–2020.	

Chapter	Detailed specification of change (from version 2, effective since 28 August 2015)	Justification of revision	Effective from
17.2	Replacement of the original web reference with the more accurate <a href="http://www.msmt.cz/strukturalni-fondy-1/pravidla-pro-publicitu">http://www.msmt.cz/strukturalni-fondy-1/pravidla-pro-publicitu</a>	Reference replacement.	
18.		Added wording of annex submitted with grant applications for construction works.	
18.	Added annex 12 Justification of the Intention to Award a Public Contract in a Non-Published procurement procedure.	In connection with the system changes in the closed call procurement procedures in the context of operation programmes.	

## 1. CHAPTER – INTRODUCTION

The Rules for Applicants and Beneficiaries (hereinafter "Rules for Applicants and Beneficiaries") are issued by the Managing Authority of the Operational Programme Research, development and education (hereinafter MA OP RDE). Rules for Applicants and Beneficiaries are available to all parties with prepared project proposals for future grant applications across the priority axes of the OP RDE or going to submit a grant application in the OP RDE. Specific project types have their specific Rules for Applicants and Beneficiaries published in the respective calls for proposals, amending or altering these framework Rules for Applicants and Beneficiaries.

These rules are not applicable to projects within one of the forms of simplified reporting forms - with the standard unit cost scale.

The purpose of the Rules for Applicants and Beneficiaries is to provide the applicants with basic information about how to proceed with the grant application preparation, about all obligatory formal requirements of the application and about the main risks that might affect its due and timely submission.

The Rules are further aimed at a description and explanation of the wider context of the obligatory and the recommended procedures of project implementation to the beneficiaries and their partners. The main obligatory rules for project implementation are always specified in the conditions of the legal act on grant award / transfer and its annexes forming an integral part thereof.

In its project preparation the applicant/beneficiary is obliged to observe the Rules for Applicants and Beneficiaries in their General section (or the Specific section, if applicable) as defined in the legal act on grant award / transfer, and the conditions laid down by the published call for proposals. At the same time, before the project implementation start, the beneficiary must get acquainted with the wording of the legal act on grant award / transfer executed between the granting authority and beneficiary. The legal act on grant award / transfer lays down the main conditions for the grant award and the main liabilities of the beneficiary. In addition to the above-mentioned documents the beneficiary is obliged to implement its project in compliance with the applicable legislation of the Czech Republic and the EU.

Rules for Applicants and Beneficiaries enter to force as of their date of publication on the web site of the MEYS and take effect as of the effectiveness date specified therein but not before the date of their entry to force.

## 1.1 Summary of priority axes, investment priorities and specific objectives OF OP RDE

The purpose of the Operation Programme Research, Development and Education is to contribute to development of **knowledge society**, where knowledge and skills of human resources will be a key factor of competitiveness of the Czech Republic.

Priority axis	Fund	Investment priorities	Specific objectives corresponding to investment priorities
1.Strengthening capacity for high-quality research	ERDF	Enhancing research and innovation (R&I) infrastructure and capacity to develop R&I excellence, and promoting centres of competence, in particular those of European interest	<ol style="list-style-type: none"> <li>1. Improvement of international quality of research and its results.</li> <li>2. Building capacity and strengthening long-term co-operation of research organisations with the application sphere.</li> <li>3. Improving the infrastructure for research in education</li> <li>4. Improving strategic management of research at national level</li> </ol>
2. Development of universities and human resources for research and development	ESF	Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups	<ol style="list-style-type: none"> <li>1. Improving the quality of education at universities and its relevance for the needs of the labour market</li> <li>2. Increasing the participation of students with specific needs, from socio-economically, disadvantaged groups and from ethnic minorities in higher education, and de-creasing the drop-out rates of students.</li> <li>3. Improving the conditions for lifelong learning at higher education institutions.</li> <li>4. Setting up and developing an evaluation system and ensuring the quality and strategic management of higher education institutions.</li> <li>5. Improving the conditions for education related to research and for the development of human resources in research and development.</li> </ol>
	ERDF	investing in education, vocational education and training for skills and lifelong learning by developing education and training infrastructure	<ol style="list-style-type: none"> <li>1. Improving the education infrastructure at higher education institutions in order to ensure a high quality of education, improving access for disadvantaged groups and increasing the openness of higher education institutions</li> </ol>

Priority axis	Fund	Investment priorities	Specific objectives corresponding to investment priorities
3. Equal access to high-quality pre-school, primary and secondary education	ESF	Socio-economic integration of marginalised communities such as the Roma	1. Social integration of children and pupils including the integration of Ro-ma children into education
		Combating all forms of discrimination and promoting equal opportunities	1. Quality conditions for inclusive education.
		Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	<ol style="list-style-type: none"> <li>1. Improving the quality of pre-school education, including facilitating the transition of children to primary school.</li> <li>2. Improving the quality of education and achievement of students in key competencies.</li> <li>3. Developing a system of strategic management and quality assessment in education.</li> <li>4. Improving the quality of the preparation of future and beginning teaching staff.</li> <li>5. Improving the quality of education and vocational training, including strengthening their labour market relevance.</li> </ol>
Technical assistance	ERDF	N/A	<ol style="list-style-type: none"> <li>1. Ensuring effective administration.</li> <li>2. Ensuring information, publicity and absorption capacity.</li> </ol>

## **2. CHAPTER - DEFINITION OF USED TERMS**

### **Administrative team**

This term covers all staff responsible for the project administration including its operation, monitoring, accounting and publicity. The aim of their activities is not the work with the target group. In most cases, this concerns the project and financial manager, assistant, PR manager, etc.

### **Aid intensity**

Aid intensity means the gross amount of aid expressed as a percentage of eligible expenditures before tax and other levies.

### **Applicant**

An entity submitting a grant application. This term is used for the entity in the course of the application processing, submission to the granting authority and approval process until execution of the legal act on grant award / transfer with the granting authority. At the moment of execution of the legal act on grant award / transfer the applicant becomes beneficiary.

### **Audit Authority**

The authority responsible for auditing for the purpose of verification of effective functioning of the management and control system of the operation programme and performance of activities in compliance with Article 127 of the Regulation (EU) No. 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006 (hereinafter "General Regulation").

### **Authorised applicant (beneficiary)**

Authorised applicants, or beneficiaries, are defined by the wording of the operation programme for every area of support. In the case of OP RDE these include for example regions, municipalities, NGOs, higher education institutions, etc.

### **Beneficiary:**

A public or private entity responsible for start, implementation or sustainability of an operation co-financed from ESIF, which on the basis of the legal act on grant award / transfer and on the basis of fulfilment of the conditions therein laid down submits to the Managing Authority its request for payment (or unified application or grant application) and accepts the claimed finance from public funds. In relation to state aid and de minimis support the "beneficiary" means the entity receiving the state aid/de minimis. support.

### **Bidder**

Supplier called to submit a bid in a procurement procedure of a contracting authority.

### **Block exemption**

Block exemption means an *exception (or legal title) from the general prohibition of state aid pursuant to Commission Regulation (EU) No. 651/2014 of 17 June 2014*, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (hereinafter "GBER"), laying down types or categories of aid (exemptions) which, under certain conditions to be complied with, are compatible with internal market without the notification obligation towards the Commission before granting the aid.

### **Call**

A call is an activity of the Managing Authority or another authorised entity within the programme requesting submission of grant applications by the applicants/future beneficiaries pursuant to predefined conditions. Round call is a call type when the responding projects are compared. Continuous call is a non-competing call type when the projects do not compete for the aid.

### **Cash flows**

Transfers of cash between bodies involved in the programme implementation and beneficiaries.

### **Central de minimis register (RDM)**

The Central de minimis register was established as of 1 January 2010. The purpose of the register is central evidence of de minimis supports. The Central de minimis register is administered by the Office for the Protection of Competition and the Ministry of Agriculture who is also its keeper. The Central de minimis register is available on <http://eagri.cz/public/app/RDM/Portal>

### **Central Register of Subsidies from the National Budget**

The General Financial Directorate keeps central register for processing of data on subsidies provided from the national budget, state funds, state financial assets and the National Fund. Their providers are obliged to provide data to the Central Register about them and their beneficiaries or transfer the data there from other registers containing the relevant data. The content and scope of the data entered in or transferred to the Central Register of Subsidies and the procedures performed by the providers in this context are defined by the Ministry in Decree No. 286/2007 Coll., on Central Register of Subsidies.

### **Certification**

Expenditures certification means confirmation of correctness of expenditure data in compliance with EU and CR regulations submitted by the managing authorities to the Payment and Certification Authority. The result of the certification is preparation and provision of incurred expenditure certificate together with the expenditure report attached to the Request for Payment by the Payment and Certification Authority to the European Commission.

### **Co-financing**

The level of involvement of the individual implementation parties to the project financing. This is the summary term for specification of EU share, maximum national budget share and minimum financial participation of the beneficiaries in the project financing. The level of co-financing is specified for the total eligible expenditure of the project depending on the type of beneficiary, nature of the activity and category of the region where the operation is implemented.

### **Complementarity**

Complementarity is the relationship between interventions that are complementary in nature. Complementarity may be implemented separately, not requiring conditionality of the complementary intervention implementation.

### **Combined payment**

Means a payment covering both incurred and not yet incurred expenditures on condition of compliance with the conditions defined in the text of the call.

### **Contract**

Contract implemented on the basis of a written order or contract between the contracting authority and one or more suppliers with the subject of supply of goods or services for a charge or implementation of construction works for a charge.

### **Contracted research<sup>2</sup>**

Contracted research can be characterised as research activity implemented by a research organisation and connected with services with high added value, i.e. generally with services ordered and paid by another party including coverage of the expenditure and adequate profit of the research party by the ordering party. The services mainly cover research and development including related consultations (such as sample processing, measurements and testing to order etc.).

Contracted research pursuant to Article 2.2.1 of the Community Framework for State aid of Research, Development and Innovations 2014/C 198/01 means research performed by a research organisation for a certain company as service in situations when the organisation receives adequate payment for the service provided and the company specifies conditions of the service provision. The company usually becomes owner of all research results and bears the risk of failure.

Contracted research revenues do not include revenues from sales and lease of properties, ordinary equipment lease, revenues from sales of materials and products (except for development and manufacture of prototypes to order). Generally activities not related to the research and development activity of the research organisation are not included. Contracted research also does not include participation in RDI projects (programme and grant projects) and public projects within RDI funded from the national budget where the research organisation is in the position of the project beneficiary or partner.

Concerning revenues from leases of specialised equipment these can only be included if the lease is connected with demonstrable provision of research and development services and is motivated by the effort to effectively use the acquired equipment through secondary economic activities.

The contracted research project outcomes usually include some of the following types of results (according to RIV15) – a patent, a semi-operation, a tested technology, a variety, a race, an industrial design, a prototype, a functional sample, results reflected in legislative acts and standards, results reflected in guidelines and regulations of non-legislative nature binding for the

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<sup>2</sup> The definition is based on the document Provision of Data on Contracted Research in 2015, published on <http://www.vyzkum.cz/> on 27/08/2015



respective provider, results reflected in approved strategic and conceptual documents of RDI and innovation issued by state administrative or self-governing bodies, a certified method, a therapeutic procedure, a conservation procedure, a specialised map with professional content, a software, a research report, or a summary research report.

### **Contracting authority**

Holder of a procurement procedure in the course of project implementation.

### **Controlling**

The controlling authority checks whether the controlled entity fulfils its liabilities following from the applicable legislation or required by the executed legal act on grant award / transfer.

### **Cost – Benefit Analysis (CBA)**

The cost - benefit analysis defines socio-economic effects of the planned project. The analysis is a simple expression of the benefits of the project and the expenditures needed for their implementation. The analysis defines the group of all direct and indirect stakeholders of the project. The analysis enumerates not only all financial expenditures and gains but also major estimable positive and negative consequences of the project. This allows for consideration of interventions which are not profit-making and financially rewarding but show non-financial, such as social positives

### **Database of outputs of OP RDE**

Information system for publication of relevant project outputs.

### **Date of grant award**

The date of grant award is the date when the legal title for the grant is constituted for the beneficiary pursuant to the valid national legislation.

### **Date of physical project implementation start (assumed/actual)**

**Assumed date of physical project start** is the date as of which the applicant/beneficiary plans to start its project implementation physically (may be the same as the project start date, unless otherwise specified in the call). This date is to be provided by the applicant in the grant application. Following successful completion of the approval process the applicant must submit, in addition to the required documents needed for issue of the legal act on grant award / transfer, the **actual date of physical project implementation start, which may also be later than the assumed date. This date is to be entered in the legal act on grant award / transfer.** The project can be physically started before/together with/after issue of the legal act on grant award / transfer. **The applicant shall however be obliged to start the project physically in 6 months from the legal act on grant award / transfer issue.** The length of the project monitoring period is calculated from the actual physical project implementation date or from the date of issue of the legal act on grant award / transfer, whichever comes later.

The difference between the assumed and the actual physical project implementation date is in that the assumed date is entered in the grant application while the actual date is submitted for the purpose of issue of the legal act on grant award / transfer. The two dates may but need not be the same. The actual physical project implementation date may not be earlier than the assumed physical project implementation date.

## **Date of (physical) project implementation completion**

This date, entered in the legal act on grant award / transfer is the final deadline for due and timely project completion<sup>3</sup> by the beneficiary. Achievement of the required project outputs will be evaluated as of that date by the MA of OP RDE.

If a permit or decision of a competent authority is needed for use of the project outputs then the project completion date may not be before the date of legal force of that permit or decision.

## **Date of project start**

Possible date of incurring of eligible project expenditures as defined by the MA of OP RDE in the published call. Following successful completion of the approval process the applicant must submit, in addition to the required documents needed for issue of the legal act on grant award / transfer, the actual date of project start, which may also be later than the date stated in the call. This date is to be entered in the legal act on grant award / transfer. The first possible date of incurring eligible project expenditures is 1 1. 2014. Expenditures incurred before that date cannot be eligible expenditure. If the project start date is earlier than the physical project start date then the eligible expenditures after the project start date may only include expenditures of the project preparation but not expenditures connected with key project activities.

## **Deputy Minister measure**

Internal legal act on grant award / transfer defining conditions for the grant drawing for project purposes. This legal act is issued for technical assistance projects and to beneficiary material sections of the MEYS and state organisation unit falling within the MEYS (such as the Czech School Inspection).

## **Drawing plan**

Estimated financial volumes of requests for payments for the monitoring period, such as the following month or year.

## **EDS/SMVS**

This is an information system for programme financing – EDS/SMVS - former Information System for Programme Financing – ISPROFIN). (ex-ante financing), or by retrospective refund of eligible project expenditures (ex-post financing).

## **Effective collaboration**

Effective collaboration means collaboration of at least two independent parties for the purpose of knowledge or technology exchange or achievement of a common objective on the basis of division of labour where the parties jointly specify the scope of the collaboration project, contribute to its implementation and share risks and results. The project expenditure can be borne in any extent by one or more parties and thus rid other parties of their financial risks. Contractual research and provision of research services are not considered as forms of collaboration.

## **Electronic Marketplace**

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<sup>3</sup> This means physical, not administrative completion. I.e. some administrative acts connected with the project may only be performed after that date, such as preparation of the final implementation report, aid settlement with the national budget etc.

A web application allowing for electronic order placement, the system of electronic market places is governed by CR Government Resolution No. 343 of 10 5. 2010.

### **Eligible expenditure**

Expenditure incurred for the defined purpose in the course of the period specified in the legal act on grant award / transfer which are in compliance with the relevant EU and CR regulations, the relevant Methodological Guideline of MoRD – NCA (Methodological Guideline for eligible expenditure and reporting in programming period 2014–2020) and other rules defined by the Managing Authority for the given operation programme.

### **EU contribution**

EU contribution means part of the total eligible expenditure incurred in the context of programmes/projects co-financed by EU. In the case of OP RDE the EU contribution is financed from the ERDF and ESF in the amount of up to 85 % of the total eligible expenditure of the projects/programme.

### **"European Anti-Fraud Office " – – OLAF**

Office established by Commission decision (Commission Decision (EU) 2015/512 of 25 March 2015) with the mission to investigate frauds concerning EU budget, corruption in EU bodies and institutions and serious defaults of their staff. OLAF prepares anti-fraud policy for the European Commission.

The main task of the office is to conduct administrative investigations in Member States concerning financial interests of EU (external investigations) and investigations of EU bodies and their staff (internal investigations).

The legal basis of the anti-fraud activity in the EU is Article 325 of the Treaty on the Functioning of the European Union (replacing Article 280 of the EC Treaty).

### **European Structural and Investment Funds**

European Structural and Investment Funds (ESIF): European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF).

### **Ex-ante and ex-post financing**

Depending on the nature of the project and the contractual relationship between the MA of OP RDE and the beneficiary projects may be financed by periodic advance payments

### **Evaluation**

A process based on profound information collection and professional evaluation with the aim to obtain reliable ground for implementation management and strategic decision-making. Evaluation thus contributed to economic public fund management and allocation.

In the case of evaluations in the areas of ERDF/ESF the evaluated aspects include strategic, policy, programme and project setting, design, implementation and effects. The purpose is to evaluate objective fulfilment (purposefulness) and effectiveness, economy and sustainability achievement. The evaluations are performed before the programming period or programme implementation start (ex-ante), in the course of the programming period (ad-hoc, ongoing or mid-term) and after its end (ex-post).

## **Excellence Centre**

A clearly thematically profiled site of research and development (such as higher education institution, research institute or its clearly defined part or a similar detached part shared by more research institutions). Excellence Centre is an active research site, often of multidisciplinary nature, interconnecting R&D, education (especially of doctoral students and young research staff) and innovation activity. Excellence Centre reaches critical sizes of personnel and technical equipment to be able to achieve top quality research results internationally. Through long-term strategic partnerships the Excellence Centre cooperates with prestigious international R&D centres as well as with partners from the application sphere and other major sites active in the field on the national level. Revenues from foreign resources (with respect for professional specifics) substantially contribute to the total R&D budget of the Centre and its total operation expenditure.

## **Experimental research and development**

Systematic creative work aimed at extending human knowledge, including knowledge of the man, its culture and society with the aim of finding new ways of use of this knowledge.

## **Final beneficiary**

Final beneficiary is a public or private entity applying to the Managing Authority for a contribution from the Structural Funds or the Cohesion Fund and accepts money from these funds from the finance service of the Managing Authority. In the case of grant schemes the final beneficiaries are authorities carrying the grant schemes (such as regions) who further allocate the funds to the individual successful submitters of individual grant projects (events).

## **Final recipient**

Final recipient of the grant is the entity implementing the project and receiving money from the Structural Funds and the Cohesion Fund as project co-financing. In the case of grant schemes the final recipients are the implementers of the grant events submitted within the grant schemes. The grant scheme owners are the beneficiaries. If there is No. grant scheme, i.e. in the case of national individual projects the final beneficiaries are identical with final recipients.

## **Financial service**

The body in charge of the national budget chapter administration and of payments to the beneficiaries from the national budget corresponding to the share of state financing and pre-financing of expenditures to be covered from EU budget.

## **Grant application**

The application filled out by the applicant and submitted with the aim to obtain a grant for the submitted operation in the framework of the operational programme. The application must be prepared in compliance with the terms and conditions of the operational programme.

## **Grant award decision**

A unilateral legal act on grant award / transfer issued by the MEYS as the granting authority in cases where the beneficiaries are not state organisation units and their contributory organisations.

## **Granting authority**

Granting authority is the central state administrative authority or another entity authorised by act to award grants or refundable financial assistance from the national budget. The granting authority for the purpose of OP RDE is the Ministry of Education, Youth, and Sport of the Czech Republic.

### **Human resources development**

Human resources development is a conceptual approach to building adequate administrative capacity.

### **Implementation team**

Includes all project roles including the back-office team and the professional project team.

### **Indicators**

Indicator is an instrument for measurement of objectives/plans, progress or achieved effects on individual implementation levels. The indicator must be accurately defined and consists of a code, a name, a transparent definition, unit of measurement including description of the measurement method, source of data, and the baseline, target and actually achieved values. "Indicator" has the same meaning as its Czech equivalent ("ukazatel").

### **Individual Project**

A complete set of activities financed from the OP RDE heading towards achievement of predefined measurable objectives. The project is implemented within a defined time horizon according to the defined strategy and within the allocated budget.

### **Individual Systemic Project**

A project addressing a complex issue of a region or the whole Czech Republic. The main feature of ISP is concentrated and targeted support. The process of ISP preparation and monitoring will involve the monitoring committee of the OP RDE. ISP project implementation will place greater emphasis on management, monitoring and continuous evaluation.

### **Ineligible expenditure**

Non-eligible expenditures is expenditures not to be co-financed from the ESIF for their non-compliance with the relevant EU regulations, national or other rules defined by the granting authority or legal act on grant award / transfer.

### **Intermediate body**

An entity authorised by the MA of OP RDE to perform some functions of the Managing Authority on the basis of delegation agreement. The agreement between the Managing Authority and the intermediate body must be in writing (see Article 123 (6) of the General Regulation).

### **Investment priority**

Priorities specified in specific regulations on ERDF, ESF, implementing particular thematic objectives defined in the General Regulation and eligible for support from the respective fund.

### **Lifelong learning**

Lifelong learning is the sum of all educational activities of an individual from early childhood to the retirement age with the aim to obtain corresponding knowledge and skills in the areas of personal, civic, social and professional development. Lifelong learning includes formal education, informal education and informal learning.

### **Legal act on grant award / transfer**

The legal act confirming grant award / transfer by the granting authority to the beneficiary. The act includes detailed specification of the conditions for the grant award / transfer. The act form may differ according to the nature of the granting authority and beneficiary and the relationship between them.

### **Letter of minister on grant award**

The legal act of grant transfer issued by the MEYS as the granting authority for another state organisation unit and its contributory organisations as the grant beneficiary.

### **Major project**

A project financed from ERDF or CF consisting of a series of works, activities or services aimed at achievement of a non-divisible task of accurately specified economic or technical nature, with clearly defined objectives and with total eligible expenditure exceeding € 50 million, or Eur 75 million Eur in the case of projects contributing to fulfilment of thematic objective 7 (i.e. support for sustainable transport and removal of obstacles in key network infrastructures).

### **Managing Authority**

The authority responsible for purposeful, effective and economic management and implementation of the operation programme in compliance with the principles of sound financial management. The Managing Authority of an operation programme co-financed from the ERDF, ESF, CF and EMFF may be national, regional or local public administrative authority or a public or private entity. The Managing Authority performs activities in compliance with Article 125 of the General Regulation.

### **Manual of uniform visual style of ESIF in the programming period 2014–2020**

The UVS Manual defines rules for use of graphic elements and defines the uniform visual style for the programming period 2014–2020. The Manual defines minimum requirements for preparation of the obligatory publicity instruments.

### **Monitoring Committee**

The committee in charge of evaluation of the programme implementation. The monitoring committee works in compliance with Article 49 of the General Regulation and further specifically in compliance with Article 110 of the same. Members of the monitoring committee include representatives of the relevant management and coordination bodies and partners (such as ministerial departments, partner ministries, regions, municipalities, non-governmental non-profit organizations, etc.).

### **Monitoring indicators**

Monitoring indicators of progress and results of project implementation, support areas, priority axes and programmes with regard to defined objectives. The list of monitoring indicators is approved by the monitoring committee and included in the implementation document. Every grant applicant is obliged to include the project monitoring indicators within the grant application and

especially to define quantification of the selected indicators related to the indicators specified for the given area of support in the implementation document.

### **Monitoring System (MS2014+)**

Information system for monitoring, management, evaluation and reporting of ESIF implementation in the Czech Republic in the programming period 2014–2020 on all implementation levels (project, programme, partnership agreement).

### **National Coordination Authority and Partnership Agreement Management Authority**

The central methodology and coordination body for implementation of programmes co-financed from ESIF in the Czech Republic in the programming period 2014–2020. The authority is the partner to the European Commission on behalf of the Czech Republic, manages the Partnership Agreement on the national level, administers the monitoring system of MS2014+, defines the methodology of implementation and acts as the central authority for publicity.

### **Non-compliance**

Non-compliance means violation of EU or CR legislation by action or omission of an economic entity<sup>4</sup>, which will or might lead to a loss in the summary budget of the EU or in the public budget of the Czech Republic, represented by inclusion of incorrect cost in the summary budget of the EU or the public budget of the Czech Republic. In the case of a levy for the reason of breach of discipline the reason must be potential or actual loss of the public budget of the Czech Republic by inclusion of an incorrect cost. Non-compliance does not apply to inclusion of non-eligible cost by the state organisation unit (state organization unit) on condition of discovery of this non-eligible cost and implementation of sufficient financial correction before the request for payment is approved by the Managing Authority (MA). In addition, the non-compliance does not include implementation of ineligible expenditure at the beneficiary level, if it is a grant provided in the ex-ante mode and also provided that the ineligible expenditure was detected and the proper financial adjustment was performed before approval of the request for payment. These cases will however continue to represent suspected breach of budgetary discipline (as this term is defined by Section 44 of the Budgetary Rules Act) to be further addressed pursuant to the applicable legislation of the Czech Republic<sup>5</sup>. Criminal acts committed in the context of implementation of programmes or projects co-financed from EU budget will always be considered a non-compliance.

### **Operation**

Operation is a project, a contract, a measure or a group of projects selected by the respective programme MA or on the basis of MA authorisation in compliance with the criteria defined by the monitoring committee and contributing to the objectives of a priority or priorities to which they relate.

### **Operational Programme**

The basic strategic document of thematic, financial and technical nature for a particular thematic area or territory with a description of particular objectives and priorities for drawing from ERDF

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<sup>4</sup> Economic entity means entity pursuant to Article 2 of the General Regulation.

<sup>5</sup> The fact that the particular case is not a non-compliance is not affected by potential subsequent decision of the Financial Administration authority on breach of discipline in those cases.

and ESF in the programming period 2014–2020, which the Member State wants to achieve in the thematic area/priority and how they are to be achieved, with regard to the Partnership Agreement and Union strategy. This is a binding document for the programme Managing Authority towards the European Commission.

### **Organization for research and dissemination of knowledge**

"Organisation for research and dissemination of knowledge" or "research organisation" is an entity (for example a university or a research institute, a technology transfer agency, an innovation mediator, a physical or virtual cooperating entity focused on research) regardless its legal status (pursuant to public or private law) or financing method, whose main aim is to perform independent fundamental research, industrial research or experimental development or public dissemination of results of these activities by means of teaching, publication or knowledge transfer. If this entity at the same time performs economic activities then separate accounts must be kept for financing, expenditures and gains of these economic activities. Entities with decisive influence on such an entity, such as shareholders or members, must not have the right to priority access to the result achieved by the entity.

### **Partnership agreement**

A document prepared by a Member State with assistance of partners in compliance with multilevel management approach defining the Member State strategy, priorities and measures for effective and efficient use of ESIF for the purpose of fulfilment of objectives of the Europe 2020 strategy.

### **Payment and Certification Authority**

The authority responsible for overall finance management of funds provided to the Czech Republic from EU budget and cost certification pursuant to Article 126 of the General Regulation. On the basis of Czech Government Resolution No. 448 of 12 June 2013 the Ministry of Finance (hereinafter "MF") was authorised to perform the role of the Payment and Certification Authority hereinafter "PCA") for programmes co-financed from ERDF, FS and ESF funds.

### **Priority axis**

Priority axis is the basic unit of an operational programme fulfilling one or more investment/thematic objectives and is co-financed from one or more funds.

### **Procurement procedure**

Procurement procedure implemented by the Client pursuant to Section 12.3 of the Rules for selection of suppliers for the purpose of contract award with the outcome of contract execution or procurement procedure cancellation.

### **Professional team**

Project employees performing the professional aspects of the project, such as research, lecturing, professional guarantee and other key professional and factual project activities.

### **Project implementation (project period)**



Activities implemented between the actual physical project implementation start date and the date of the (physical) project implementation completion. The project implementation period is accurately defined in the legal act on grant award / transfer.

### **Project sustainability**

The time for which the beneficiary must keep the project outcomes going. The beneficiary is bound to do so by the legal act on grant award / transfer where the granting authority exactly specifies its requirement for the project sustainability. Compliance with the liability to sustain the project may be inspected by the relevant institutions.

### **Popularisation Centre**

A centre of knowledge and entertainment offering spontaneous popular forms of education in and understanding of the essence of physical and natural phenomena using interactive elements/exhibits/aids.

### **Public contracts journal**

Part of the public procurement procedure information system providing information about public procurement procedures.

### **Publicity tool**

Measures/instruments/activities for assurance of general public awareness of the grants provided from the European Structure and Investment Funds. Obligatory instruments are laid down by the Regulation of the European Parliament and of the Council (EU) No. 1303/2013 and are binding for the National Coordination Authority, Managing Authority, intermediate bodies and beneficiaries.

### **Public procurement procedure**

Procedure implemented by the contracting authority pursuant to the Public Procurement Act for the purpose of contract award with the outcome of contract execution or procurement procedure cancellation.

### **Research infrastructure**

Research infrastructure means facilities, resources and related services used by the research community for its research activities in the relevant fields, including research instrumentation and materials, knowledge-based resources such as collections, archives and structured research information, infrastructures of information and communication technologies, such as GRIDS, computer hardware and software, communication means as well as other unique element needed for research. These infrastructures may be "concentrated" in one place or "dispersed" across various sites.

### **Research organization**

Research organisation pursuant to Section 2 of Act No. 130/2002 Coll. on the Support of research and development from public funds and on the amendment to some related acts (the Act on the Support of Research and Development), is a legal entity, a state organisation unit or a ministerial organisation unit dealing in research and development

1. of which main purpose is to perform fundamental research, applied research or development and disseminate their results through learning, publicity or transfer of

- technologies; if a territorial self-governing unit is concerned, determination on the main purpose of research organization relates to its state organization unit;
2. which reinvests its profit to activities under the point 1; whose research capacity and results are not accessible to economic entities offering goods or services that might influence it.

## **Rules for Applicants and Beneficiaries**

Rules including the list of conditions and rules to be complied with by the applicant for a grant from OP and rules which the beneficiary must observe when implementing the approved project and in the sustainability period.

### **SME (Small and Medium-Sized Enterprises)**

Enterprises meeting conditions in Annex I of Commission Regulation (EU) No. 651/2014 of 17 6. 2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty.

### **Simplified expenditure reporting<sup>6</sup>**

The way of project expenditure reporting based on limited requirements for financial reporting (documentation) and cost documentation by the beneficiary with related accounting documents, or these requirements are replaced with the condition of achievement of defined milestones and outputs or in the case of a predefined procedure of eligible cost calculation, with lump sum payment as a variant for example indirect expenditure, unit expenditure and one-off payments.

### **Simplified project**

A project consisting exclusively of standardised activities with defined outputs or results specified by the Managing Authority and with predefined amount of grant per activity (output, result) in harmony with the simplified cost reporting approach.

### **Specific objective**

The intended change to be achieved through the activities in the context of an investment priority.

### **State aid**

State aid meeting the requirements of Article 107 (1) of the The Treaty on the Functioning of the European Union means any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market.

### **Supplier**

A natural person or legal entity supplying goods, providing services or implementing construction works.

### **Supplier profile**

Electronic instrument defined pursuant to Section 17 (w) of the Public Procurement Act.

### **Synergy**

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<sup>6</sup> EU regulations also use the term "simplified cost reporting" but this difference in terms is not of essence for the purpose of Rules for Applicants and Beneficiaries.

Synergy is the relationship between activities in direct functional interaction supporting each other by their effect and impact. Thus synergy may bring stronger impact than the sum of the individual activities implemented in separation. Synergic bonds may develop within and between ESIF programmes, between ESIF and EU programmes and between ESIF and national programmes.

### **Target group**

A group of entities or individuals which the programme is focused on who take benefits from the programme in the course of its implementation, including its sustainability period (such as children, students, teachers and research staff).

### **Technical assistance**

Funds for use by the Managing Authority in the areas of preparation, monitoring, administrative and technical support (programme implementation, studies, analyses, programme promotion, information systems, experience exchange with partners, professional staff training etc.), evaluation, audit and inspections necessary for effective implementation of the OP RDE.

### **Time schedule of Calls**

Framework plan for OP RDE for the current calendar year on the basis of which calls for particular interventions are published in the course of the year. The time schedule of calls is part of the Strategic Implementation Plan.

### **Total expenditure**

Total project expenditure is the sum of eligible and non-eligible project expenditure.

### **Undertaking in difficulty**

An "undertaking in difficulty" is a company to which at least one of the following circumstances shall apply:

- a) In the case of a limited liability company (existing for less than three years - for the purpose of eligibility to risk financing - not a SME within seven years from the first commercial sale on the basis of due diligence implemented by a selected finance providers eligible for investment in the area of risk financing) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For the purpose hereof the "limited liability company" especially includes company forms listed in Annex I to Directive 2013/34/EU (1) and "equity" includes any potential capital in excess.
- b) In the case of a company where at least some members have unlimited liability for the debt of the company (existing for less than three years - for the purpose of eligibility to risk financing - not a SME within seven years from the first commercial sale on the basis of due diligence implemented by a selected finance providers eligible for investment in the area of risk financing) where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses.. For the purpose hereof the "company where at least some partners bear full liability for the company commitments" especially includes company forms listed in Annex II to Directive 2013/34/EU.

- c) Where the undertaking is subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors.
- d) If a company received a rescue support and has not yet refunded a loan or terminated a guarantee or received a grant for restructuring and the restructuring plan still applies to it.
- e) In the case of an undertaking that is not an SME, where, for the past two years:
  - 1) the undertaking's book debt to equity ratio has been greater than 7,5 and
  - 2) The ratio of interest coverage of economic earnings of the company before interest, tax and depreciations (EBITDA) has been lower than 1.0.

### **Waiting projects**

Quality projects eligible for financing but not yet financed for the reason of limited funds allocated for the given call for proposals. These projects can be approved for financing in the case of additional fund allocation or in the case of decreased financial requirements of already approved projects.

## **3. CHAPTER– LEGISLATIVE BACKGROUND AND OTHER BASELINE DOCUMENTATION**

### **3.1 Legislative acts and implementing regulations of EC/EU**

European legislation is available on <http://eur-lex.europa.eu>.

#### **European Structural and Investment Funds**

- Regulation of the European Parliament and of the Council (EU) No. 1303/2013 of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006 (hereinafter "General Regulation");
- Regulation of the European Parliament and of the Council (EU) No. 1301/2013 of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No. 1080/2006 (hereinafter "ERDF Regulation");
- Regulation of the European Parliament and of the Council (EU) No. 1304/2013 of 17 December 2013 on the European Social Fund and repealing Regulation (EC) No. 1081/2006 (hereinafter "ESF Regulation");
- Regulation of the European Parliament (EC) No. 1059/2003 on the establishment of a common classification of territorial units for statistics (NUTS);
- Directive 2001/42/ES of the European Parliament and of the Council on evaluation of the Effects of Certain Plans and Programmes on the Environment;

- Commission Regulation No. 522/2014 of 11 March 2014, supplementing Regulation (EU) No. 1301/2013 of the European Parliament and of the Council with regard to the detailed rules concerning the principles for the selection and management of innovative actions in the area of sustainable urban development to be supported by the European Regional Development Fund;
- COMMISSION IMPLEMENTING REGULATION (EU) No. 821/2014 of 28 July 2014 laying down rules for the application of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council as regards detailed arrangements for the transfer and management of programme contributions, the reporting on financial instruments, technical characteristics of information and communication measures for operations and the system to record and store data;
- COMMISSION DELEGATED REGULATION (EU) No. 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds;
  - COMMISSION DELEGATED REGULATION (EU) No. 480/2014 of 3 March 2014 supplementing Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund;
- COMMISSION DELEGATED REGULATION (EU) No. 481/2014 of 4 March 2014 supplementing Regulation (EU) No. 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for collaboration programmes;
- COMMISSION IMPLEMENTING REGULATION (EU) No. 184/2014 of 25 February 2014 laying down pursuant to Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund, the terms and conditions applicable to the electronic data exchange system between the Member States and the Commission and adopting pursuant to Regulation (EU) No. 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial collaboration goal, the nomenclature of the categories of intervention for support from the European Regional Development Fund under the European territorial collaboration goal;
  - COMMISSION IMPLEMENTING REGULATION (EU) No. 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to

methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds;

- COMMISSION IMPLEMENTING REGULATION (EU) No. 288/2014 of 25 February 2014 laying down rules pursuant to Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to the model for operational programmes under the Investment for growth and jobs goal and pursuant to Regulation (EU) No. 1299/2013 of the European Parliament and of the Council on specific provisions for the support from the European Regional Development Fund to the European territorial collaboration goal with regard to the model for collaboration programmes under the European territorial collaboration goal;
- COMMISSION IMPLEMENTING REGULATION (EU) No. 1011/2014 of 22 September 2014 laying down detailed rules for implementing Regulation (EU) No. 1303/2013 of the European Parliament and of the Council as regards the models for submission of certain information to the Commission and the detailed rules concerning the exchanges of information between beneficiaries and managing authorities, certifying authorities, audit authorities and intermediate bodies;
- Commission Implementing Decision of 18 February 2014 setting out the list of regions eligible for financing from the European Regional Development Fund and the European Social Fund and of Member States eligible for financing from the Cohesion Fund for the period 2014-2020 (notified under document C(2014) 974) (2014/99/EU).

### **Public procurement procedure**

- Directive of the European Parliament and of the Council 2014/24/EU of 26 February 2014
- on procurement and repealing Directive 2004/18/EC;
- Directive of the European Parliament and of the Council 2014/25/EU of 26 February 2014
- on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC;
- COMMISSION IMPLEMENTING REGULATION (EU) No. 842/2011 of 19 August 2011 establishing standard forms for the publication of notices in the field of public procurement and repealing Regulation (EC) No. 1564/2005;
- COMMISSION REGULATION No. 1336/2013 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of the application thresholds for the procedures for the awards of contract.

### **State aid**

- The Treaty on the Functioning of the European Union (TFEU), Art. 107, 108 and 109;
- Commission Regulation (EU) No. 651/2014 of 17 June 2014, declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty;

- COMMUNICATION FROM THE COMMISSION Framework for State aid for research, development and innovation 2014/C 198/01 (hereinafter "Framework");
  - Draft Commission Communication on the notion of state aid pursuant to Art. 107 (1) of the Treaty on the Functioning of the European Union;
- Commission Regulation (EU) No. 1407/2013 of 18 December 2013 on application of Articles 107 and 108 of the Treaty on the Functioning of the European Union for de minimis support;
- Council Regulation (EC) No. 659/1999 of 22 March 1999, laying down implementation rules to Article 93 of EC Treaty, as amended;
- Commission Regulation (EC) No. 794/2004 of 21 April 2004, executing Council Regulation (EC) No. 659/1999, laying down implementing rules to Article 93 of EC Treaty, as amended;
- Commission Regulation No. 1125/2009 of 23 November 2009, amending Regulation No. 794/2004;
- Commission Regulation No. 271/2008 of 30 January 2008, amending Regulation No. 794/2004;
- Commission Regulation No. 1147/2008 of 31 October 2008, amending Regulation No. 794/2004;
- Council Regulation (EU) No. 733/2013 of 22 July 2013, amending Regulation (EC) No. 994/98 on the application of Articles 92 and 93 of the Treaty establishing the European Community to certain categories of horizontal State aid;
- COMMISSION REGULATION(EU) No. 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest (hereinafter "Services of general economic interest Regulation");
- Commission Communication on application of the EU rules in the area of state aid for compensation provided for provision of Services of general economic interest (hereinafter "Services of general economic interest Communication");
- Commission Decision 2012/21/EU of 20 December 2011 on the application of Article 106(2) of the TFEU to State aid in the form of public service compensation granted to certain undertakings entrusted with the operation of services of general economic interest (hereinafter "Services of general economic interest Decision");
- Commission Communication European Union Framework for State Aid in the form of public service compensation (2012/C 8/03);
- Commission Communication – Criteria for analysis of compatibility of state aid for employment of disadvantaged and physically handicapped staff subject to individual reporting liability No. 2009/C 188/02;
- Commission Communication – Criteria for analysis of compatibility of state aid for education subject to individual reporting liability No. 2009/C 188/01;
- Instructions to regional state aid for the period 2014–2020 No. 2013/C 209/01 valid as of 1 7. 2014;

- Map of regional support for the period 2014–2020.

### **R&D Regulations**

- Regulation of the European Parliament and of the Council (EU) No. 1291/2013 of 11 December 2013, introducing the Horizon 2020 – framework programme for research and innovation (2014–2020) and repealing Decision No. 1982/2006/EC;
- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Regions Committee COM (2013) 494 in the final wording of "Partnership of

the Public and the Private Sector in the programme Horizon 2020: effective instrument for achievement of innovation and growth in Europe“;

- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Regional Committee COM (2012) 392 in the final wording of "Strengthened Partnership of the European Research Area for excellence and growth“;
- Resolution of the Council of 27 November 2009 on the renewed Framework of European
- Collaboration in the Youth area(2010–2018) 2009/C 311/01.

## **3.2 Related legislation of the Czech republic<sup>7</sup>**

Legislative acts of the Czech Republic are available on <http://aplikace.mvcr.cz/sbirka-zakonu/>. Legislative Acts

- Act No. 137/2006 Coll., on public procurement and on amendment to certain other acts, as amended (hereinafter "Public Procurement Act“);
- Act No. 183/2006 Coll., on town and country planning and building code and on amendment to certain other acts, as amended (hereinafter "Building Act “);
- Act No. 500/2004 Coll., Code of Administrative Procedure, and on amendment to certain other acts, as amended (hereinafter "Code of Administrative Procedure");
- Act No. 215/2004 Coll., amending certain relationships in the area of state aid and on amendment to the Research and Development support Act, and on amendment to certain other acts, as amended (hereinafter "Act on Amendment of Relationships in the Area of State Aid“);
- Act No. 235/2004 Coll., on value added tax and on amendment to certain other acts, as amended (hereinafter "VAT Act");
- Act No. 420/2004 Coll., on examination of asset management of territorial self-governing units and voluntary unions of municipalities and on amendment to certain other acts, as amended (hereinafter "Act on Examination of Asset Management of Territorial Self-governing Units and voluntary unions of municipalities “);

<sup>7</sup> Due to the scope the list only includes a representative selection from the current wordings of the applicable legislative acts.



- Act No. 499/2004 Coll., on arches and record management and on amendment to certain other acts, as amended (hereinafter "Archives and Record Management Act");
- Act No. 47/2002 Coll., on SME support and on amendment to Act No. 2/1969 Coll., on establishment of ministries and other central state administrative bodies of the Czech Republic, and on amendment to certain other acts, as amended (hereinafter "SME Support Act");
- Act No. 320/2001 Coll., on financial control in public administration and on amendment to certain other acts, as amended (hereinafter "Financial Control Act");
- Act No. 248/2000 Coll., on regional development support and on amendment to certain other acts, as amended (hereinafter "Regional Development Support Act");
- Act No. 131/2000 Coll., on the City of Prague and on amendment to certain other acts, as amended (hereinafter "City of Prague Act");
- Act No. 219/2000 Coll., on the property of the Czech Republic and the representation of the Czech Republic in legal relations and on amendment to certain other acts, as amended (hereinafter "CR Property Act");
- Act No. 218/2000 Coll., on Budgetary Rules and on amendment to certain other acts, as amended (hereinafter "Budgetary Rules");
- Act No. 166/1993 Coll., on the Supreme Audit Office and on amendment to certain other acts, as amended (hereinafter "SAO Act");
- Act No. 586/1992 Coll., on income tax and on amendment to certain other acts, as amended (hereinafter "Income Tax Act");
- Act No. 280/2009 Coll., Rules of Taxation and on amendment to certain other acts, as amended (hereinafter "Taxation Rules");
- Act No. 563/1991 Coll., on accounting and on amendment to certain other acts, as amended (hereinafter "Accounting Act");
- Act No. 255/2012 Coll., on controlling and on amendment to certain other acts, as amended (hereinafter "Controlling Rules");
- Act No. 456/2011 Coll., on finance administration of the Czech Republic and on amendment to certain other acts, as amended (hereinafter "CR Finance Administration");
- Act No. 2/1969 Coll., on establishment of ministries and other central government authorities of the Czech Republic and on amendment to certain other acts, as amended (hereinafter "Act on Establishment of Ministries and other Central Government Authorities");
- Act No. 40/2009 Coll., Criminal Code and on amendment to certain other acts, as amended (hereinafter "Criminal Code");
- Act No. 141/1961 Coll., on criminal judicial procedure and on amendment to certain other acts, as amended (hereinafter "Criminal Judicial Procedure Act");
- Act No. 418/2001 Coll., on criminal liability of legal entities and proceedings against them, as amended (hereinafter "Legal Entity Criminal Liability Act");

- Act No. 125/2008 Coll., on transformations of business corporations and cooperatives and on amendment to certain other acts, as amended (hereinafter "Business Corporation and Cooperative Transformations Act");
- Act No. 130/2002 Coll. on the Support of research and development from public funds and on the amendment to some related acts (the Act on the Support of Research and Development)
- Act No. 111/1998 Coll., on higher education institutions and on amendment to certain other acts, as amended;
- Act No. 561/2004 Coll., on preschool, basic, secondary and higher professional and other education and on amendment to certain other acts, as amended (hereinafter "Education Act");
- Act No. 89/2012 Coll., Civic Code and on amendment to certain other acts, as amended (hereinafter "Civic Code");
- Act No. 90/2012 Coll., on business corporations and cooperatives and on amendment to certain other acts, as amended (hereinafter "Business Corporations Act");
- Act No. 262/2006 Coll., Labour Code and on amendment to certain other acts, as amended (hereinafter "Labour Code");
- Act No. 101/2000 Coll., on personal data protection and on amendment to certain other acts, as amended (hereinafter "Personal Data Protection
  - Act");
- Act No. 106/1999 Coll., on free access to information and on amendment to certain other acts, as amended (hereinafter "Free Access to Information Act");
- Act No. 234/2014 Coll., on civil service and on amendment to certain other acts, as amended (hereinafter "Civil Service Act");
- Act No. 563/2004 Coll., on teachers and on amendment to certain other acts, as amended (hereinafter "Teachers
  - Act");
- Act No. 256/2013 Coll., on Cadastre of Real Estate and on amendment to certain other acts, as amended (hereinafter "Cadastral Act");
- Act No. 250/2000 Coll. on Budgetary Rules for regional budgets and on amendment to certain other acts, as amended (hereinafter "Regional Budgetary Rules Act");
- Act No. 341/2005 Coll., on public research institutions as amended (hereinafter "Public Research Institution Act");
- Act No. 283/1992 Coll., on the Academy of Sciences of the Czech Republic, as amended (hereinafter "Academy of Science Act");
- Act No. 128/2000 Coll., on municipalities (municipal order), as amended (hereinafter "Municipalities Act");
- Act No. 300/2008 Coll., on electronic acts and authorised conversion of documents, as amended (hereinafter "Act on electronic actions and authorised conversion of documents");

- Act No. 182/2006 Coll., on bankruptcy and methods of its settlement (Bankruptcy Act) as amended (hereinafter "Bankruptcy Act");
- Act No. 589/1992 Coll., on social security insurance and state employment policy contribution and on amendment to certain other acts, as amended (hereinafter "Social Security Act");
- Act No. 151/1997 Coll., on property valuation and on amendment to certain other acts, as amended (hereinafter "Property Valuation Act");
- Act No. 198/2002 Coll., on volunteer service and on amendment to certain other acts, as amended (hereinafter "Volunteer Service Act");
- Act No. 373/2011 Coll., on specific health services, as amended (hereinafter "Special Healthcare Service Act").

## **Government Resolutions**

**Government resolutions are available on <http://www.vlada.cz>**

- Czech Government Resolution of 31 August 2011 No. 650 on Summary proposal for orientation of future cohesion policy of the European Union after 2013 under the Czech Republic conditions including proposal of development priorities for drawings from EU funds after 2013;
- Czech Government Resolution of 8 September 2011 No. 664 on further procedure of preparation of the Monitoring System for Structural Funds and the Cohesion fund for the programming period 2014–2020;
- Czech Government Resolution of 21 March 2012 No. 184 on recommendations for simplification of administrative load for applicant and beneficiaries in the context of drawings from EU funds in the programming period 2014 – 2020;
- Czech Government Resolution of 22 August 2012 No. 610 on the proposal for correction of legislative barriers to implementations of the structural funds and the Cohesion Fund of the European Union in the programming period 2014 – 2020;
- Czech Government Resolution of 28 November 2012 No. 867 (hereinafter "UV 867/2012") and related material Document for preparation of the Partnership Agreement for the programming period 2014–2020 – Definition of programmes and further proceeding in preparation of the Czech Republic for effective drawings from the Common Strategic Framework funds;
- Czech Government Resolution of 15 May 2013 No. 345 on the Concept of the unified methodological environment as part of the background for implementation of the Partnership Agreement;
- Czech Government Resolution of 12 June 2013 No. 447 on the draft Partnership Agreement for the programming period 2014 – 2020;
- Czech Government Resolution of 1 June 2013 No. 448 on the Rules of management and coordination of the Partnership Agreement in the programming period 2014–2020;

- Czech Government Resolution of 9 August 2013 No. 597 on the collection of methodological documents on the areas of evaluation, principles of creation and use of indicators, eligible expenditures and their reporting and risk management in the programming period of 2014 - 2020;
- Czech Government Resolution of 23 October 2013 No. 809 on the progress of preparation of the programming period 2014 – 2020 on the national level;
- Czech Government Resolution of 20 November 2013 No. 873 on the Methodological Guideline for management of calls for proposals, evaluations and selection of projects in the programming period 2014–2020;
- Czech Government Resolution of 15 January 2014 No. 44 on the Collection of methodological documents on monitoring, public procurement, publicity and communication and preparation of control documentation of programmes in the programming period 2014–2020;
- Czech Government Resolution of 12 March 2014 No. 166 on the Methodological Guideline on programme revision in the programming period 2014 – 2020;
- Czech Government Resolution of 9 April 2014 No. 242 on the Partnership Agreement for the programming period 2014 – 2020,;
- Czech Government Resolution of 16 June 2014 No. 444 on the Methodological Guideline on HR development in the programming periods 2014 - 2020 and 2007–2013;
- Czech Government Resolution of 19 July 2012 No. 552 on the National priorities of oriented research, experimental development and innovations;
- Czech Government Resolution of 31 July 2013 No. 569 on the Implementation of National priorities of oriented research, experimental development and innovations;
- Czech Government Resolution No. 761/2007 on the Strategy of the Czech Republic for lifelong learning (formal education, informal education and informal learning);
- Czech Government Resolution of 9 July 2014 No. 557 on the Research, Development and Education Operation Programme;
- Czech Government Resolution of 9 July 2014 No. 536 on the Collection of methodological documents to monitoring of the European Structural and Investment Funds in the programming period 2014–2020;

- Czech Government Resolution of 14 July 2014 No. 583 on the rules of Co-Financing by the European Structural and Investment Funds in the programming period 2014–2020;
- Czech Government Resolution of 15 October 2014 No. 837 on the Methodological Guideline for cash flows of the programmes co-financed from the European Structural Funds, the Cohesion Fund and the European Maritime and Fisheries Fund for the programming period of 2014–2020;
- Czech Government Resolution of 25 June 2014 No. 473 on the Methodological Guideline governing the methodology of non-compliance reporting on the exterior level to the OLAF for the programming period 2014 – 2020;
- Czech Government Resolution of 27 October 2014 No. 867 on the Methodological Guideline for execution of controls under responsibility of managing authorities in implementation of the European Structural and Investment Funds for the period of 2014 – 2020;
- Czech Government Resolution of 12 November 2014 No. 918 on the Criteria for programme implementation start - or publication of calls for proposals before the programme approval by the European Commission in the programming period 2014 – 2020;
- Czech Government Resolution of 1 December 2014 No. 1006 on update of the Methodological Guideline for HR development in the programming periods 2014 – 2020 and 2007 – 2013;
- Czech Government Resolution of 8 December 2014 No. 1028 on the Research and Innovation Strategy for Smart Specialisation of the Czech Republic (National RIS3 strategy);
- Czech Government Resolution of 12 May 2014 No. 342 on the Concept of youth support in the period 2014 – 2020;
- Czech Government Resolution of 27 August 2014 No. 681 on the National document for territorial dimension;
- Czech Government Resolution of 27 August 2014 No. 682 on the Methodological Guideline for use of integrated instruments in the programming period 2014 - 2020.

### **3.3 OTHER BINDING DOCUMENTS**

**The binding documents are available on:**

<http://www.strukturalni-fondy.cz/cs/Fondy-EU/2014-2020>

#### **Strategic Documents of EU**

- Europe 2020 – A strategy for smart, sustainable and inclusive growth supporting inclusion, COM (2010) 2020 in the final wording;
- Strategic Framework for European Co-operation in Education and Training (ET 2020, or Education and Training 2020);
- Renewed Framework of European Collaboration in Youth Area (2010–2018);

## Strategic Documents of CR

- Partnership Agreement for programming period 2014–2020;
- Operation programmes (OP Enterprising and innovation for competitiveness, OP Research, development and education, OP Transport, OP Environment, OP Employment, Integrated regional OP, OP Prague - pole of growth of CR, OP Technical assistance, OP Cross-boundary collaboration Czech Republic - Republic of Poland 2014–2020, OP Cross-boundary collaboration Slovak Republic – Czech Republic 2014–2020, OP Cross-boundary collaboration Republic of Austria – Czech Republic 2014–2020, Rural development programme, OP Fisheries);
- National Reform Programme of CR 2014;
- International Competitiveness Strategy of the Czech Republic 2012–2020;
- Strategy of educational policy of the Czech Republic before 2020;
- Strategy of the Czech Republic for lifelong learning;
- Priorities for areas of responsibility of the Ministry of Education, Youth and Sport of the Czech Republic in the future period of cohesion policy of the EU 2014–2020;
- Material of the MEYS: Status of gender equality at the MEYS and proposal of medium-term strategic plan in the area of gender equality;
- Strategy of education for sustainable progress of the Czech Republic;
- State programme of environmental education, upbringing and awareness in the Czech Republic;
- Regional Development Strategy of the Czech Republic 2014–2020;
- Update of the National policy of research, development and innovations of the Czech Republic for the period 2009 – 2015 with an outlook to 2020;
- National priorities of oriented research, experimental development and innovations,
- National Innovation Strategy of CR 2012 – 2020;
- National Research and Innovation Strategy for Smart Specialisation of the Czech Republic (National RIS3 strategy);
- Concept of support for development of talents and care of talents in the period of 2014–2020;
- Strategy of the struggle against fraud and corruption in the context of CSF fund drawings in the period 2014–2020;
- Government anti-corruption strategy 2013 – 2014;
- Long-term intention of education and educational system development in the Czech Republic in the period 2015 – 2020.

## Other Documents

Documents related to preparation for the programming period 2014–2020 are available on: <http://www.strukturalni-fondy.cz/cs/Fondy-EU/2014-2020/Dokumenty>

### Methodological Guidelines of Regional Development Ministry

- Methodological Guideline for monitoring of implementation of the European Structural and Investment Funds in the Czech Republic in the programming period 2014–2020;
- Methodological Guideline for the area of contract awards for the programming period 2014–2020;
- Methodological Guideline for use of integrated instruments in the programming period 2014–2020;
- Methodological Guideline for eligibility of expenditures and their reporting in the programming period 2014–2020;
- Methodological Guideline for publicity and communication of the European Structural and Investment Funds in the programming period 2014–2020;
- Methodological Guideline for management of calls, evaluation and selection of projects in the programming period 2014–2020;
- Methodological Guideline for management of risks of ESI funds in the programming period 2014–2020;
- Methodological Guideline for revision of programmes for the programming period 2014–2020;
- Methodological Guideline for principles of creation and application of indicators in the programming period 2014–2020;
- Methodological Guideline for evaluation in the programming period 2014–2020;
- Methodological Guideline for preparation of control documentation of programmes in the programming period 2014–2020;
- Methodological Guideline for HR development in the programming periods 2014–2020 and 2007–2013;
- Methodological Guideline for preparation of programme documents in the programming period 2014 – 2020;
- Methodological Guideline for management and monitoring processes of ESI funds in MS2014+, part 1;
- Methodological Guideline for management and monitoring processes of ESI funds in MS2014+, part 2;
- Manual of uniform visual style of ESI funds in the programming period 2014 – 2020;
- Methodology of programme management in the programming period 2014–2020.
- **Methodological Guideline of Ministry of Finance of CR**

- Methodological Guideline for cash flows of the programmes co-financed from the European Structural Funds, the Cohesion Fund and the European Maritime and Fisheries Fund for the programming period 2014–2020;
- Methodological Guideline for execution of controlling under responsibility of management authorities in implementation of the European Structural and Investment Funds for the period 2014–2020;
- Methodological Guideline laying down methodology of non-compliance reporting on the external level to the OLAF for the programming period 2014–2020;
- Methodological Guideline for certification of expenditure for the programming period 2014–2020;.
- Methodological Guideline for audits by the Audit Authority (AA) for the programming period 2014 –2020.

### **Other Methodological Documents**

- Methodological recommendation for state support area;
- Methodological recommendation for income-generating projects in the programming period 2014– –2020;
- Methodological Guideline for the Central register of small-scale aid (hereinafter "RDM"); Methodological handbook for application of the "single enterprise" term from the viewpoint of de minimis rules;
- Handbook for users of the monitoring system MS2014+;
- Guide to Cost-benefit Analysis of Investment Projects - Economic appraisal tool for Cohesion Policy 2014–2020;
- Synergies between ESIF, Horizon 2020 + other EU smart growth programmes.



## 4. CHAPTER – CONTACTS AND COMMUNICATION WITH APPLICANTS AND BENEFICIARIES

One of the main forms of communication between the MA (Managing Authority) and the applicant/beneficiary is represented by internal messages of the monitoring system (for more information see Chapter 4.1 Communication in IS KP14+). Appropriate and timely communication between the applicant/beneficiary and the MA of OP RDE is the basic assumption for successful project implementation.

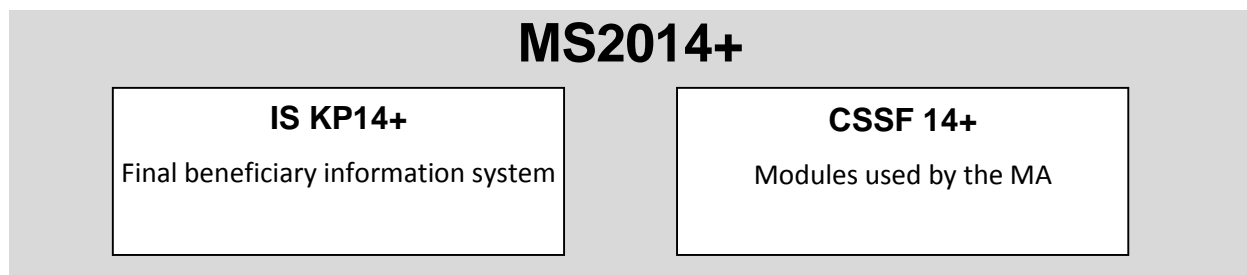
All documents in all stages of the project preparation/implementation/sustainability are attached as plain copy (scan), electronic copy or notarized copy (primary electronic excerpts or documents created by authorised conversion from the printed to the electronic format).

Timely communication between the applicant/beneficiary and MA OP RDE can in many cases prevent problematic situations which may result in sanctions for the beneficiary in the case of violation of the terms and conditions of the OP RDE including correction or complete return of the grant. For the purpose of successful project implementation there is the below described system of communication between the MA of OP RDE and the applicants/beneficiaries.

### 4.1 Communication in IS KP14+

From the moment of submission of application of the potential grant applicant communication is possible within MS2014+ between the applicant (project manager) and MA of OP RDE (especially the project administrator), for example in the matters of inquiries about the text of the call for project, return of the grant application for correction or completion, potential requests for decision reviews, negotiations before legal act conclusion on the grant award / transfer etc.

### Simplified Scheme of Monitoring System (MS2014+)



The term MS2014+ means the complete monitoring system, while the term IS KP14+ only refers to its part entered by the applicant/beneficiary.

In case of inquiries concerning the monitoring system (IS KP14+) please use the following options of communication with the MA of OP RDE or the system administrator:

In case of a non-registered user

- For methodological and technical inquiries please use the form on tab FAQ;

- In the case of registration difficulties please use the form on the homepage of the Registration process;

- In case of a registered user with a submitted grant application from the OP RDE please use the functionality Dispatch and send the inquiry to the user specified in the call.

A detailed description of use of the Dispatch functionality is included in User Manual for IS KP14+: Instructions for filling in the form of grant application.

### **Types of Internal Messages**

- User Messages
- Most of communications between users of MS2014+ will use the instrument for user messages without user type limitations. Both internal (user of IS KP14+/applicant/beneficiary) and external (user of CSSF14+/implementation structure of MA) users will receive an address on their registration and both types of users will be able to communicate by user messages from the very beginning. User messages will be created by the applicant/beneficiary, received and sent by it to the MA of OP RDE.
- A specific section of internal messages is represented by user messages sent by the users to the technical support of the monitoring system. For this purpose there is the group address of OP RDE\_Žadatel\_Technická podpora (OP RDE\_Applicant\_Technical Support).
- System Messages

System messages will be distributed by the MA of OP RDE on the basis of system events to all users. These will include for example notifications of approaching deadlines of obligatory activities, information from the MA OP RDE or information about changes of status of individual processes. System messages will be only received by the applicants without replying to them and will be generated by the system or the MA of OP RDE automatically.

## **4.2 Other Forms of Communication**

Applicants/beneficiaries can choose in some cases one of the following forms of communication with the MA of OP RDE with most of them taking place within the IS KP14+.

In the cases where neither these rules nor the IS KP14+ specify a communication method for the particular situation the applicant/beneficiary shall choose the best communication method on the basis of agreement with the project/finance administrator.

### **Written Correspondence**

The applicants/beneficiaries will communicate with the MA of OP RDE through data box information system – ISDS (unless written - printed format is used). ISDS is recommended for this type of communication by the MA of OP RDE. Communication via ISDS complies with the Act on Electronic Acts and Authorised Conversion of Documents. Communication via ISDS is based on data message sending and receiving.

**Data message must be sent to the data box of the MEYS with the following identifier: "vidaawt".**

The beneficiary of the data message is a staff member of the MA of OP RDE, usually the project/financial administrator allocated to the project. The "Subject" field must include the project registration number.

The beneficiary may also use printed format of communication in the same cases as specified for ISDS communication. In those cases the communication is implemented by sending a letter to the MA of OP RDE by post or by courier (or by personal delivery to the registry of the MEYS) with specification of the allocated project/financial administrator of the respective project to the following address:

***Ministry of Education, Youth and Sport***

***Department (insert department) Operation Programme Research, Development and Education***

***Degree, name, surname (insert the name of the allocated staff member of MA of OP RDE)***

***Project number: (insert your project registration number)***

***Karmelitská 7, 118 12 Prague 1***

**Phone and e-mail communication**

With regard to the non-existence of the audit trail when using phone communication and insufficient justification of use of electronic communication in relation to internal messages these methods of communication are not recommended by the MA of OP RDE. Phone and e-mail communication can be fully substituted with the internal messages (see chapter 4.1), or with written correspondence (see chapter 4.2).

### **Personal Consultations**

The beneficiary can ask its allocated project/financial manager for personal consultation. Personal consultation is only possible on the basis of prior written/phone agreement with the project/finance administrator. For the reason of audit trail preservation the consultation is recommended to be agreed through an internal message. Contact email in case of general inquiries to the OP RDE: [opvvv@msmt.cz](mailto:opvvv@msmt.cz).

### **4.3 Contact Persons**

The contact person for applicants is specified in the contact information on the web site of the OP RDE as well as in the text of each individual call for proposals.

The main contact person for every beneficiary in the course of the project implementation is the project/finance administrator allocated to the respective project through the IS KP14+. The main part of the communication between the beneficiary and the MA of OP RDE takes place between the contact person of the beneficiary or representative of the statutory body of the beneficiary and the allocated project/finance administrators as the representative of the MA of OP RDE. The beneficiary contacts the MA of OP RDE via the allocated project/finance administrator in regular intervals in connection with periodic project implementation activities (such as report on project

implementation submissions, request for payment submissions), or in irregular intervals (such as for the purpose of the report on a procurement procedure start) and also in the case of emergencies (such as requests for substantial project change).

The contact person of the beneficiary is fully responsible for communication between the beneficiary and the MA of OP RDE. That is why the appointed contact person of the beneficiary must possess the required competencies (project knowledge, OP RDE condition knowledge etc.). The contact person of the beneficiary must be readily available all the time and must be able to actively and flexibly communicate and react to potential requirements of MA of OP RDE or be temporarily substituted by another person able to meet all these requirements. The contact person of the beneficiary is obliged to arrange for a substitute at the time of its absence to preserve the required fluency of communication between the beneficiary and MA of OP RDE.

MA of OP RDE recommends to appoint the contact person of the beneficiary with regard to the project period length in order to minimise the need for replacement of the contact person and to create such communication system for the contact person to have up-to-date project information or to be able to obtain and provide up-to-date information in time as needed.

#### **4.4 OP Web Site**

Web site of the OP RDE is available on <http://www.msmt.cz/strukturalni-fondy-1/op-vvv> and represent the basic information portal for applicants and beneficiaries of OP RDE projects. The web site offers updated documents, including the Rules for Applicants and Beneficiaries of OP RDE, contact data of OP representatives (project and finance administrators), logos for publicity and new information of the MA of OP RDE concerning the progress of the OP.

## 5. CHAPTER– PROCESSES AND RULES OF GRANT APPLICATION, PROJECT EVALUATION AND SELECTION

### 5.1 Announcement of Call for Proposals

<http://www.dotaceeu.cz> and <http://www.msmt.cz/strukturalni-fondy-1/vyzvy-op-vvv> are used for publication of the time schedule of calls for proposals of the OP RDE for every programme year and detailed information on publication of each individual call.

#### **OP RDE includes the following types of calls for proposals:**

**Continuous calls** – for non-competing projects. The applicants meeting the conditions of the call are awarded the grant in the order of their grant application submissions;

**Round calls** – for competing projects which are mutually compared. The grant is awarded to the project complying with the call conditions in the order from the best objective evaluation to the worst.

The calls are published for at least 4 weeks<sup>7</sup>. Continuous calls are usually announced for a longer period of up to one year) and are usually withdrawn when the allocation has been absorbed. In the case of continuous calls, the MA of OP RDE can decide about premature call withdrawal before the allocation is absorbed - this option will always be specified with each particular call.

Every call includes basic information about the grant provision conditions - content focus, time setting, form of aid information (financial allocation, eligibility expenditure, etc.), territorial focus, obligatory formal requirements of the grant application and potential call changes.

An evaluation model is defined for the approval process separately for every call with the list of the individual stages of the approval process including deadlines, the list of criteria including the evaluation and selection methods for all process stages and the list of entities (their powers and responsibilities) involved in the approval process.

#### **The evaluation model depends on the call focus:**

**Single round evaluation** – all data required for the evaluation must be submitted by the applicant at once in a single grant application and a single approval process is held;

**Double round evaluation** – in the first round the applicant submits a preliminary grant application with only part of project information in compliance with the call and the related documentation (with simplified forms of the obligatory annexes). If the preliminary grant application is evaluated by the MA of OP RDE as compliant the applicant is requested to submit the full text of the grant application for the second round of evaluation,

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<sup>7</sup> From the call publication date to the date of the grant application submission deadline.

i.e. the complete documentation for evaluation of the grant application. The second round is only designed for projects meeting the requirements of the first round.

## 5.2 Preparation of grant application

The grant application must be submitted electronically via the IS KP14+ (see <https://mseu.mssf.cz/index.aspx>). The applicant must first register in the IS KP14+<sup>8</sup>, then prepare and finalise the grant application. To submit, or sign the grant application the applicant must possess a qualified certificate/personal electronic signature.

*The procedure of filling out the electronic form of grant application (including the procedure for obtaining the qualified certificate/personal electronic signature) is described in the User Manual for IS KP14+ – Instructions for grant application Form Filling out (see the web site of the OP RDE). The User Manual for IS KP14+ – Instructions for grant application Form Filling out includes, inter alia, the instructions for filling out the individual sections of the grant application (descriptions of the section content),. which are obligatory for the applicant. The grant application is the only source of data on the basis of which the project will be evaluated and approved or rejected therefore the quality filling out is essential.*

### Information Collection/Study

Before preparation of the grant application in the IS KP14+ the MA of OP RDE recommends to the applicant to:

- Study the call and the related documentation; – Learn the dates of seminars for applicants;
- Learn about possible consultations of the project proposal with the MA;
- Learn about the method and deadlines for the grant application submission and evaluation.

### Project proposal

The MA of OP RDE recommends to prepare a project proposal before preparation of the actual grant application in IS KP14+ with a brief definition of the expected project achievements, assets and progress of implementation.

When preparing the project proposal the applicant should evaluate its project relevance for the given call. Project relevance must be evaluated with consideration of all conditions and rules defined by the respective call and the related call documentation.

These include but are not limited to:

- a) Eligibility of the applicant = who can apply for grant;

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<sup>8</sup> Registration of the applicant (particular user) is done only once on submission of the first grant application.

- b) Eligibility of the place of project implementation and project impact (localisation), = where the project can be implemented and what territories it can affect;
- c) Eligibility of target groups = who can become target group(s) of the project;
- d) Eligibility of project activities = what activities can be implemented in the context of the given call;
- e) Eligibility of project partner and the notion of partnership = who can become project partner and what conditions they must meet;
- f) Eligibility of funds = what the funds can be used for, what is the minimum/maximum grant amount for a project.

The project proposal is not part of the IS KP14+ and is not evaluated by the MA of OP RDE either, its purpose is solely for use by the applicant or for potential consultation with the MA of OP RDE. The applicant can consult its project proposal with the contact person of the MA of OP RDE named in the call well in advance of the deadline for the grant application submission. The prepared project proposal can become the basis for a competent decision of the applicant whether to submit the grant application or not.

### **Grant application in IS KP14+**

Only in the case of compliance of the project proposal with the rules and conditions of eligibility defined in the call the applicant can effectively continue with the project preparation, i.e. prepare the grant application in the IS KP14+. When preparing the grant application in the IS KP14+ the applicant must above all observe the following principles:

- The grant application must be in harmony with the relevant call for proposals;
- The grant application must clearly define the problem and its particular solution. The preparation for the grant application should be preceded with a profound analysis of the need for the project in relation to the planned project activities and in relation to the activities already implemented in the area (outputs and results of similar projects – for prevention of duplicate financing of identical activities);
- The objectives of the grant application must be measurable and the indicator values must be realistic;
- The key activities implemented in the context of the project must be detailed and must clearly show the links to the defined needs and objectives (the detailed activity description can be submitted as a separate annex to the application); and all planned activities must be necessary for achievement of the defined goals;
- The time schedule of the grant application must be based on a logical structure;
- The budget of the grant application must be prepared in compliance with the rule of economic, purposeful and effective planned costs;
- Project sustainability must be described in detail if required by the call.

MA of OP RDE recommends to the applicants attendance of the seminars for applicants/beneficiaries focused on the specifics of the individual calls, preparation of the grant application and subsequent project implementation. The dates of the seminars are published by the MA of OP RDE on the OP RDE web site on <http://www.msmt.cz/strukturalni-fondy-1/seminare> and also on <http://www.dotaceeu.cz>.

### **Annexes to grant application**

The form of grant application may include obligatory, obligatory-optional and optional annexes. The obligatory annexes must be attached by all applicants. Compulsorily selected annexes are to be chosen from according to applicability and the selected one compulsorily attached. Optional annexes may be attached by the applicant in addition to the obligatory submissions. For the purpose of grant applications in the context of which the applicant is going to implement construction works there is a specific list of annexes which the applicant must submit together with the grant application. The general list of annexes including the annexes to the construction projects is included in Chapter 18, Annex 10. The particular list of the annexes for every call may be modified in the Rules for Applicants and Beneficiaries – Specific Section.

### **Form of Documentation of Grant Application**

- **Original**

A document filled out or prepared according to a sample, a document prepared by the applicant (No. sample available) with attached authorised electronic signature. The document need not contain an autograph signature. If a sample includes a signature field this serves as the reminder of the necessity of the electronic signature. The original data message with the electronic signature or a time stamp.

- **Certified copy**

The original document (excerpt, confirmation etc.) converted from the printed to the electronic format (authorised conversion).

- **Plain Copy**

A document scan (the original or a notarized copy must then be submitted by the applicant/partner on request of the MA or for the purpose of audit).

The form of documents to be submitted specified in the Rules of Applicants and Beneficiaries - Specific Section - is obligatory for the applicants and for the partners alike.

### **Eligibility of Applicant/Partner**

Eligibility of the applicant/partner is always defined in the call not only by type of applicant/partner but also on the basis of for example his financial, professional, administrative or material-technical readiness.

The particular method of control and evaluation of eligibility of the applicant/partner will always be specified in the call with regard to the call intention/applicant type, or partner type, where applicable. In the context of applicant/partner eligibility check the following may be inspected, including but not limited to:



- Whether the applicant/partner meets all conditions to be met by eligible applicants/partners as defined in the call in compliance with Section 14 (3) (e) of the Budgetary Rules;
- Whether the applicant/partner is bankrupt according to the Bankruptcy Act or under execution or liquidation;
- Whether the applicant/partner complies with the condition of non-indebtedness towards state administrative authorities and self-governing bodies, the tax office and the health insurance companies (No. recorded tax arrears in the Czech Republic as well as in the country of residence, registered seat or place of business, No. underpayment of public health insurance and social security premium and penalty and contribution to the state employment policy in the Czech Republic and in the country of residence, registered seat or place of business); the non-indebtedness condition is fulfilled if the taxpayer has been granted a tax deferral or payment schedule pursuant to Section 156 of the Tax Rules, or payment schedule for insurance premium or penalty pursuant to Section 20a of the Social Security Act;
- Whether the applicant/partner can prove integrity meaning non-existence of legal force of a sentence for a criminal offence with the facts of the case connected with the subject of its business or for a criminal offence of economic nature of against property or regarded as such from the viewpoint of the act;
- Whether the applicant/partner has been subject to a disciplinary punishment pursuant to special legislation for professional activity or activity related to the subject of the project in the past three years;
- Whether the applicant/partner as legal entity can prove non-existence of legal force of a sentence for a criminal offence with the facts of the case connected with the subject of its business or for a criminal offence of economic nature of against property or regarded as such from the viewpoint of the act;
- Whether the applicant/partner meets the minimum history in the case of research, development and education in compliance with the requirements of the call;
- Whether the applicant/partner meets the minimum annual turnover limit defined by the call;
- Whether the applicant/partner disposes with a sufficient implementation (professional/administrative) team, experience in project management and the professional issue to be tackled;
- Whether the applicant/partner disposes with the minimum material and technological equipment defined by the call.

### **Composition of Applicant's/Partner's Implementation Team**

The grant application must include a definition of the size and composition of the project implementation team. The team composition must correspond to the assumed demand of the project management and implementation from the content and financial points of view. Quality of the implementation team significantly affects quality of project management and overall success of implementation. **The description of the implementation team and the project management method are included in the Project Management activity as one of the obligatory parts of every grant application (for more information see Chapter 5.2.4).**

The call may require submission of professional CVs<sup>9</sup> of the implementation team members (administrative/professional team) or partner staff. The requirement applies to employees performing important roles in the project management and also key professionals possessing the required knowledge and skills needed for the project implementation. These CVs serve as proof that the applicant and its potential partners will dispose with sufficient personnel capacity for management and professional implementation of the proposed project activities. The CVs will for example document experience of implementation team members in similar project management, experience in work with the target group of the project and professional knowledge in the areas touched by the project and the role of the partner.

The implementation team has an administrative and a professional section<sup>10</sup>.

**A) The administrative team** is responsible for:

- Coordination of project activities;
- Organisation and operational side of the project;
- Achievement of the planned project objectives including compliance with the planned indicator values;
- Assurance of effective communication on all levels of project implementation (towards the granting authority, the beneficiary organisation management, project partners and individual project team members).

Project management should be responsibility of a group of individuals whose activities will be able to cover all levels of project management and all project administration related activities. They can be members of the applicant/beneficiary organisation or members of partner organisations (if the call permits partnerships). In the optimum case the team should be composed of individuals with sufficient experience in project management.

### **Examples of administrative team position types**

**Chief project manager:** This individual is responsible for overall project management and usually serves as the principal contact person of the project communicating with the MA of OP RDE. This individual is responsible for project risk management, project progress evaluation, preparation of progress reports and their correctness, correctness of procurement procedures, correctness of project changes, due project run in compliance with the time schedule, monitoring of correctness and evaluation of project indicators, attendance of project controls etc.

**Project manager/administrator:** This individual is responsible for material correctness of the project administration, such as operative record keeping, administration of potential project changes, operational correspondence, directories, statistics, material preparation of progress reports, material archiving and project documentation and compliance with the rules of publicity.

**Finance manager:** This individual is responsible for financial correctness and project payments. The finance manager for example supervises project financing and project budget

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<sup>9</sup> Professional CV must at least include the achieved qualifications, professional experience, education, vocational training and training course attendance, and further the knowledge and skills of the individual including language skills, especially where needed.

<sup>10</sup> One individual can be involved in both administrative and professional project activities.

status, checks and prepares documentation for the requests for payments, prepares the requests for payments, prepares documents for the financial section of the progress reports on project implementation and takes part in the project controls. The finance manager may also perform activities connected with the project accounting, accounting document filing, bank account management etc.

Depending on the project focus and demand, the number of key activities, the project budget, target groups etc. the administrative team may also include other positions such as:

- Project accountant;
- Project assistant manager;
- Manager for project publicity;
- HR manager;
- ICT engineer,
- And other administrative positions

**B) The professional team** is responsible for:

- Material implementation of project activities;
- Creation of project outcomes and outputs;
- Active work with the target group.

The professional team composition must comply with the project objectives and specific requirements defined by the call. They can be members of the applicant/beneficiary organisation or members of partner organisations (if the call permits partnerships) and external experts.

### **Examples of professional team position types**

- Methodologist;
- Teacher;
- Lecturer;
- Expert;
- Psychologist;
- Social worker;
- Research staff;
- Professional opponent;
- Professional implementer;
- Key activity manager.

### **Territorial Eligibility of OP RDE Projects**

Projects of OP RDE may be implemented in less developed regions (the 13 regions of Czech Republic), as well as in the developed regions (represented in the Czech Republic by the Capital City of Prague). OP RDE therefore includes two programme areas.

Every call will define the place of implementation or the acceptable region of project implementation and impact. The call can define the geographical scope of the projects as covering the whole of the Czech Republic including the capital city of Prague or more specifically as focusing on a socially excluded locality, municipalities with extended powers. **The particular specification of eligibility of the place of implementation and the project impact is always specified in the call or in the accompanying documentation with regard to the call focus and applicant/partner type. In connection with the place of implementation and project impact the defined project focus area will be evaluated for compliance with the conditions defined by the call.** However, eligibility will not be considered only from the view of a territory, on which project activities will be conducted, but also from view of project activities impact on the target group. This means that the activities need not be exclusively implemented in the given territory but must always be in favour of the target group of the defined region(s). The place of implementation is decisive for the decision about the project and its expenditure territorial eligibility (see chapter 8.7.2). The projects must comply with the territorial eligibility specified in the call on the basis of which the grant was awarded throughout the project implementation period.

In the context of the project implementation the beneficiary does not document the link of the target group to the programme area, unless otherwise specified in the call or the related documentation.

Partial project activities (not the project as a whole) may in justified cases be implemented outside the call for the submission of project (including outside the Czech Republic) but must always be in favour of the defined project territory.

**Example:** The call has defined territorial orientation of the project as socially excluded localities. The registered offices of the applicant/beneficiary are outside any socially excluded locality. As one of the planned project activities is education of the target group and the applicant/beneficiary operates an equipped educational centre this activity can be implemented in the registered offices of the applicant (in the educational centre). The educational activity must however be primarily attended by individuals from the call defined regions.

## Target Group Eligibility

Eligible target groups or other information about target groups will always be specified in the respective call for submission of grant applications. The particular method of review of the target group eligibility will be specified in the call or the related documentation. the target groups specified by the applicants will be checked for compliance with the conditions of the call.

## Eligibility of Project Activities

Eligible activities are activities contributing to fulfilment of the targets of the OP RDE, individual priority axes / investment priorities and specific objectives defined by the call. The particular method of review and evaluation of activity eligibility will always be specified in the call. In connection with activity eligibility the following will be checked: Whether each individual activity specified in the grant application leads to fulfilment of the activities listed in the call and whether the grant application includes all activities required by the call.

**Project management is a obligatory activity of all OP RDE projects.** The purpose of the **Project management** activity is definition of project management procedures in advance

for continuous monitoring of project management and implementation. A well-defined management system allows for timely identification of potential risks and elimination of their impact on project implementation.

The applicant must specify this activity as a separate key project activity entitled Project Management in its grant application. The content of the description must include:

- A description of the implementation team composition consisting of administrative and professional teams;
- A description of potential support systems (such as a SharePoint) for effective project management;
- other information on project management (such as implementation team meetings etc.).

If the text field in the IS KP14+ is not sufficient (see User Manual to IS KP14+, chapter 5) for this activity description then the applicant shall attach an annex to the grant application with the relevant information and only places a reference in the form.

In relation to the key Project Management activity the applicant shall provide a obligatory annex entitled Implementation Team with:

- Descriptions of activities of the individual team member positions with identification of their team allocation (one individual may perform both professional and administrative activities on condition that their activities are identifiable as administrative/professional);
- Every position description will include specification of project workload allocation; in the case of external contractors (agreement to perform work, employment agreement) the weekly hours allocated to the project will be specified instead, for example: 20 hours/week).

**Other obligatory activities** may be specified in the call or in the Rules for Applicants and Beneficiaries - Specific Section.

## **Project Budget and Financial Plan**

When preparing project budget just expenditure that can be financed from OP RDE funds must be specified, i.e. the eligible expenditure/costs. The rules of eligible expenditure are described in detail in chapter 8.7.

MA of OP RDE recommends to observe the following general principles of project budget preparation:

- The individual budget items must be linked to the planned project activities and the related expenditure;
- Project expenditure must be itemised in the summary budget in the grant application (the budget structure is defined by the MA);
- The total budget and the individual budget items must be adequate and justified especially with regard to the project objectives and content, the target group size, the project length and key activity content and the target value of the outcome and output indicators;

- The planned project expenditure must serve the project purpose, must be effective and economical.

The particular method of budget control and budget evaluation and financial plan will always be specified in the call, in the part on the evaluation method (evaluation criteria or in the Manual for Evaluators, or in the call accompanying documentation).

### **5.2.5.1 Financial Milestones**

The financial milestone expresses minimum project expenditure the beneficiary is obliged to clear as of the milestone date. The financial milestones (interim and boundary financial indicators) are specified by the MA of OP RDE on the basis of the submitted financial plan for pre-financing and expenditure statement by the applicant in the grant application and potentially adapted on the basis of the budget correction or adjustments before issue of the legal act on grant award / transfer.

The financial milestones are specified in the legal act on the grant award / transfer.

#### **5.2.5.1.1 Interim Financial Indicators**

The interim financial indicator of the project is 80 % of the cumulative amount of the expenditure statement specified in the financial plan for each two subsequent monitoring periods in the case of the 6-month monitoring period (or four subsequent monitoring periods in the length of 3 months each). In case when the beneficiary needs to adjust the interim financial indicator during the course of the project implementation, he can ask for substantial change and adjust the interim financial indicator. Change of an interim financial indicator may be approved by the granting authority only if submitted before the project midterm for which the interim indicator was specified (i.e. usually by the last day of month 6 of the project period). Financial indicators need not be adjusted if the beneficiary is sure that they will be fulfilled in the minimum scope specified in the legal act on grant award / transfer. The beneficiary is obliged to submit adjustment of the financial plan together with adjustment of interim financial indicators.

An exception is represented by the situation when a cumulative cost saving is generated by the project in the period for which the financial indicator has been specified in the amount of up to 10 % of the total eligible expenditure, see chapter 12.5. If the beneficiary does not plan to use the generated cost saving in the given time span and its non-application makes it impossible to achieve the 80% of the cumulative amount according to the financial plan then the beneficiary is entitled to request a substantial change any time before the evaluation of the interim financial indicator in question. In such case the application for the substantial change may only correspond to the amount of the cost saving. Together with the change of interim financial indicators the beneficiary is obliged to submit the amended financial plan with planned cost saving use projected. This change does not affect the boundary financial indicator, see chapter 5.2.5.1.2.

The interim financial milestones will only be monitored in the case of projects whose implementation period from the date of physical implementation start to the (physical) implementation completion will be longer than 30 months inclusive both the dates. The interim

financial indicator will not be specified for periods commencing less than one year before the project completion.

Evaluation of the interim financial milestones will be done as of the date of approval of the requests for payments for all monitoring periods for which the interim financial indicator has been specified. Evaluation of compliance with the amount of an interim financial milestone will be based on the sum of all allocation amounts (after deduction of the costs which the beneficiary has excluded from the request for payment on its own will) compared to the amount of the interim financial indicator. The positive difference between the interim financial indicator and the actual drawing from the past periods already penalised will not be considered again<sup>11</sup>. In the case of non-compliance with the minimum amount of an interim financial indicator the MA shall submit to the tax office a notice of suspicion for breach of discipline. The particular percentage of the sanction will be specified in the legal act on grant award / transfer<sup>12</sup>.

#### **5.2.5.1.2 Boundary financial indicator**

one of the above interim financial indicators will be specified for the beneficiary as the obligatory boundary indicator (for that period No. interim financial indicator will be defined any more). The boundary financial indicator of the project is 60 % of the cumulative expenditure statement specified in the financial plan<sup>13</sup> for the period corresponding to about 60 % of the project implementation period (the particular date shall be specified in the legal act on grant award / transfer). The boundary financial indicator cannot be substantially reduced by the beneficiary unless simultaneously asking for the substantial change of significant correction of the grant. The beneficiary is obliged to submit the amended financial plan together with the change of boundary financial indicators. The date as of the boundary milestone evaluation cannot be changed.

Boundary financial indicators will be monitored for all projects.

Evaluation of the boundary financial milestone will be implemented as of the date of approval of the request for payment for the monitoring period preceding the date of the boundary milestone evaluation. Evaluation of compliance with the amount of the boundary financial milestone will be based on the sum of all expenditure statement amounts (after deduction of the costs which the beneficiary has excluded from the request for payment on its own will) compared to the amount of the boundary financial indicator.

In the case of non-compliance with the minimum amount of the boundary financial indicator the MA shall submit to the tax office a notification of suspected breach of discipline. The particular percentage of the sanction will be specified in the legal act on grant award / transfer<sup>14</sup>.

### **5.3 Receipt of Grant Applications**

The grant applications shall only be accepted by the MA of OP RDE in the electronic format through the IS KP14+ in its final version signed by the applicant. The final version and signature of the application must be done by the deadline specified in the call (the final deadline for the

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<sup>11</sup> Example: In the first period of the interim financial indicator evaluation the beneficiary has submitted with the request for payment a statement of the sum of CZK 8 million with the indicator defined by the amount of CZK 10 million. CZK. In the second period the cumulative amount of the financial indicator was specified by the amount of CZK 20 million and the beneficiary has submitted expenditure statement of another CZK 10 million. CZK. In such case

<sup>12</sup> Unless reasons for the sanction cancellation are found, such as well and timely prepared procurement procedure submitted to the OPC (Office for the Protection of Competition)

<sup>13</sup> As of the date of issue of the legal act on grant award / transfer

<sup>14</sup> Unless reasons for the sanction cancellation are found, such as well and timely prepared procurement procedure submitted to the OPC.

grant application receipt/date of the call expiration). The grant applications finalised/registered after the deadline specified in the call the non-fulfilment of the cumulative amount of the interim financial indicator shall not be evaluated as suspected breach of discipline for the difference that was the subject of the sanction in the context of the first interim indicator evaluation (i.e. the CZK 2 million ) will not be calculated on submission of the second interim financial indicator (the submitted drawing = 8 + 10, the second interim milestone = CZK 20 million with the positive difference of CZK 2 million, already penalised, will No. longer be considered:  $20 - 2 - 10 - 8 = 0$ ) will not be accepted for the approval process. The governing date for this acceptance is the date of the application signature in the IS KP14+.

## 5.4 Project approval stage

The approval stage is the stage between the grant application receipt closing date to the issue of the legal act on grant award / transfer.

The whole process of approval of grant applications, i.e. from the call closing (closing date of the grant application receipt) to the issue of the legal act on grant award / transfer takes in the case of the round calls max. 7 months. In the case of continuous calls the approval process is ended in 7 months from the date of the respective grant application submission in the IS KP14+. The length of the approval process will always be defined by the call especially with regard to the focus of the call, type of the supported activities or project type with consideration of the maximum period of 7 months specified for the project approval process<sup>15</sup>.

Following receipt of the grant application on the basis of the published call for application submission every grant application undergoes the individual stages of the approval process with observed principles of transparency, equal approach and non-discrimination. The process of approval of grant application usually includes:

### 1. Evaluation

Eligibility check and formal check

Objective evaluation

### 2. Project Selection Process

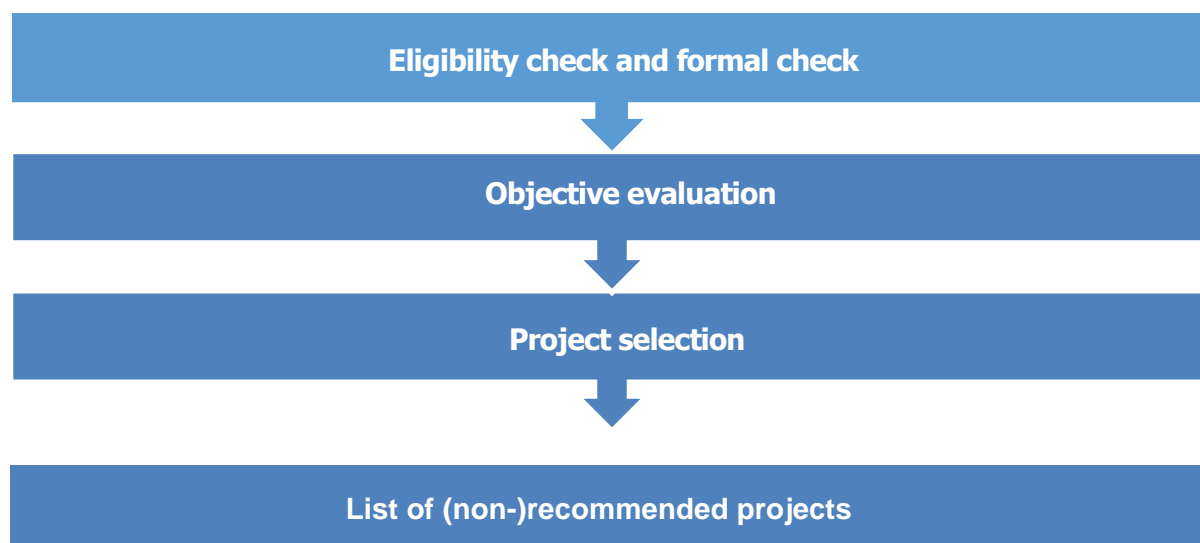
A grant application can proceed to the following stage of the approval process only if it has fulfilled the requirements of the previous stage. The particular stages of the approval process will always be specified in the text of the call or in the Rules for Applicants and Beneficiaries - Specific Section. All submitted grant applications will at least be checked for acceptability criteria and formal requirements. If the call specifies application of objective evaluation/project selection this step will be assured by the MA of OP RDE by means of Evaluators/arbiters/evaluation committee/selection committee.

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<sup>15</sup> For some project types, such as major projects, the limit of 7 months may be extended with regard to the increased demand for the approval process. In the case of the extended 7-month limit the applicants will be informed.



## Maximum approval Process on the Level of OP RDE



### 5.4.1 Eligibility check and formal check

The purpose of the eligibility check and formal check is especially evaluation of the basic factual and administrative requirements for the grant applications in the respective call.

The eligibility check and formal check of an application is done in one step.

The criteria of acceptability and formal requirements are exclusive, i.e. the grant application either meets or does not meet the criteria (or the criteria are not applicable to it).

In the case of non-fulfilment of one of the correctable criteria<sup>16</sup> within formal check the applicant is called by means of the IS KP14+ always at least once<sup>17</sup> to correct the incompleteness within the deadline of at least 5 business days from the date of the application receipt by the MA of OP RDE by adding the missing information. The accurate deadline for application completion will be specified in the text of the call OP RDE. If the call permits more than one completion of missing information the applicant shall be called for correction repeatedly but only in the case of a response to the first call for information completion by the MA of OP RDE. If the applicant fails to complete the missing information on the basis of the request of the MA of OP RDE to do so (according to the MA OP RDE requirements and within the required deadline) then the grant application will be excluded from the approval process.

In the case of non-fulfilment of any acceptability criterion the grant application will be excluded from the approval process automatically.

The criteria for the eligibility check and formal check will be specified in the text of the published call (or in the related documentation) including the evaluation method.

<sup>16</sup> Correctable and non-correctable criteria will be defined in the call or in the Rules for Applicants and Beneficiaries - Specific Section.

<sup>17</sup> The accurate number will be specified in the documentation attached to each call or in the Rules for Applicants and Beneficiaries - Specific Section.

## 5.4.2 Objective evaluation

The purpose of the objective evaluation is to evaluate quality of the project with regard to fulfilment of the material objectives of the programme and in the case of round calls comparison of the project on the basis of their quality.

Within the objective evaluation, the evaluator/evaluation committee assigns to the grant application score, including justification of the assigned point evaluation. Maximum point evaluation for individual criteria will be defined in the call with regard to the project type and specifics of the call focus. Grant applications meeting the conditions of the objective evaluation defined in the call will proceed to the next evaluation stage.

Objective criteria are defined by their function as:

- Exclusion criteria – if the criterion is not met the grant application is excluded from the approval process;
- Evaluation criteria – point evaluation is assigned for fulfilment/non-fulfilment of the criterion;
- Combined criteria – fulfilment/non-fulfilment is scored, in the case of a point evaluation below the minimum limit the grant application is excluded from the approval process.

Criteria of objective evaluation will always be specified in the call (or the related documentation) including the maximum point evaluation and evaluation method.

Objective evaluation can be implemented in one of the two ways or by the combination of the two: - by a pair of Evaluators with potential involvement of an arbiter - by an evaluation committee. The objective evaluation stage can be divided to more steps, i.e. the evaluation table of the grant application can be divided to more parts. Every part of the evaluation table is populated either by a pair of Evaluators with potential arbiter involvement or by an evaluation committee. The total score is the sum of point evaluation of all evaluation steps.

### **Evaluators with potential arbiter Involvement**

Evaluation of grant applications in the stated step is performed by two Evaluators independently of each other.

If at least one of the following conditions is fulfilled by the evaluation by two independent Evaluators another independent Evaluator, the arbiter, is involved in the evaluation in the evaluation of the stated step:

- The point evaluation of the two independent evaluators significantly differ in at least one of the evaluation criteria<sup>18</sup>;
- The total point evaluation of the two evaluators differ significantly<sup>19</sup>;
- The two Evaluators differ in the final conclusion of the evaluation, i.e. one of them recommends the grant application for approval while the other recommends its rejection.

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<sup>18</sup> The minimum point evaluation difference between the evaluators for the arbiter involvement will be specified in the text of the call or the related documentation.

<sup>19</sup> The minimum total point evaluation difference between the evaluators for the arbiter involvement will be specified in the text of the call or the related documentation.

The arbiter performs overall evaluation of the grant application in the given evaluation step. In his/her evaluation, he/she has both previous evaluations of the individual evaluators. His point evaluation

for the individual evaluation criteria and the final summary point evaluation for the given evaluation i the grant application step

must be within the range of the point evaluation of the two original evaluators.

In the case of involvement of just the pair of evaluators the total point evaluation of the grant application of the objective evaluation in the stated step is calculated as the average of the point evaluation by the two evaluators.

In the case of involvement of the pair of evaluators and the arbiter the total point evaluation of the grant application in the stated step is the score allocated to the application by the arbiter.

## Evaluation committee

The evaluation committee consists of at least three evaluators who evaluate in the stated step the submitted grant applications together according to the criteria defined in the call.

The evaluation committee action is governed by the Statute and the Rules of Procedure available on <http://www.msmt.cz/strukturalni-fondy-1/vzory-dokumentu-op-vvv> .

The decisions of the evaluation committee are justified to show the basis for the decision.

Minutes are taken of the meeting of the evaluation committee and must include at least the following information: date and time of the meeting start, the list of the evaluated projects ad their point evaluation including the relevant justification for every project. The minutes of the evaluation committee meeting are published in 15 business days from the date of the meeting on the programme web site (without names of the evaluation committee members). The result of the evaluation committee work in the stated step is an evaluation table of the participating projects.

### 5.4.3 Project Selection

The purpose of project selection is to perform a transparent selection based on the objective evaluation of the grant applications contributing to fulfilment of the material and financial objectives of the programme. The project selection is done by the selection committee. The selection committee is appointed for each relevant call/priority axis/group of projects.

The rules for evaluation of the grant application by the selection committee are defined by the Statute and the Rules of Procedure for the selection committee available on <http://www.msmt.cz/strukturalni-fondy-1/vzory-dokumentu-op-vvv> .

**The selection committee** takes decisions about selection of the evaluated projects on the basis of the evaluations prepared in the objective evaluation stage in relation to the amount of the allocation based on the results of the evaluation and the point evaluation based order of preference produced by the evaluators/the arbiter/ the evaluation committee.

The selection committee decides whether the projects will be recommended for acceptance or rejected or recommended with reservation (i.e. the project may be supported only after fulfilment

of certain conditions defined by the selection committee) or recommendation. In relevant cases the reservation may be part of the legal act on grant award / transfer.

The decisions and standpoints of the selection committee must be justified to show the basis for the decision. Every justification must be transparent, conclusive and unambiguous. At the same time the justification must not contradict the criteria on the basis of which the project was evaluated. The selection criteria and the possible reasons for non-recommendation of a grant application will always be specified in the call or the related documentation/in the Statute and the rules of Procedure of the selection committee.

**The work of the selection committee** will result in the list of project recommended or not recommended for support. The selection committee may compile a list of waiting projects. The minutes of the selection committee meeting are published in 15 business days from the date of the meeting on the programme web site.

## 5.5 Method of notification of the approval process results to the applicant

In 10 business days from completion of every approval process stage the applicants will be notified about the result of the given stage by change of project status in the IS KP14+ and by Notification on grant application approval/rejection by the MA of OP RDE (internal message).

**Successful applicants** will be addressed after the whole approval process completion by an internal message<sup>20</sup> of the MA of OP RDE with a request for submission of the documentation needed for issue of the legal act on grant award / transfer - for more information see chapter 6.4. Following the project evaluation and selection process the projects recommended with a reservation enter the process of **negotiation** in the context of which the applicant amends the grant application to bring it in compliance with the reservations by the evaluation/selection committee. The subject of the negotiation is just the method of processing of the reservations of the evaluation/selection committee, i.e. the way of fulfilment of the conditions specified by the evaluation/selection committee by the applicant. The negotiation must not include change of the evaluation and selection result, i.e. change of the wording of the reservations by the evaluation/selection committee. Addressing of all reservations by the applicant is a necessary condition for the project support.

The evaluation/selection committee may also formulate recommendations for successful applicants in addition to reservations. The recommendations may subsequently be negotiated but the decision whether to consider them in the grant application or not is the power of the applicant who informs the MA about its decision.

**Unsuccessful applicants** will receive by means of the IS KP14+ a notification of rejection of their grant applications in the approval process including:

- The result of the project evaluation and selection stage;
- The reasons for rejection of the grant application and non-recommendation of the project for financing;

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<sup>20</sup> For the internal message definition see chapter 4.1.

- Detailed results of the evaluation and selection (if relevant including the evaluation table with the standpoints of the Evaluators and the minutes of the meetings of the evaluation and the selection juries);
- Information about possible filing of a request for review of the decision (for more information see chapter 10.1.1).

In the case of a continuous call the failing applicants may submit a reprocessed grant application repeatedly within the same call unless otherwise specified in the call.

## 6. CHAPTER – PROCESSES AND RULES FOR ISSUANCE OF LEGAL ACT ON GRANT AWARD / TRANSFER

### 6.1 Award of grant to the applicant

Award of grants from the Operational Programme Research, Development and Education is governed by the terms of the OP RDE and is derived from the binding Methodological Guideline for eligible expenditures and their reporting of the MoRD and MF mentioned in Chapter 3.3, in particular the •Methodological Guideline for eligibility of expenditures and their reporting in the programming period, the Methodological Guideline of the cash flow for programmes co-financed from European structural funds, the Cohesion Fund and the European Maritime and Fisheries Fund for the 2014- 2020 period, which is part of the unified methodological environment.

The applicant is familiar with some of the basic terms that apply to the assignment of financial funds during the preparation process and the submission of the grant application.

This concerns:

- OP RDE;
- the wording of the announced call, including documentation for the call.

In the case of the approval of the project for financing, it is important that the successful applicant (i.e. the future beneficiary) is familiarized in detail with the wording of the legal act on grant award / transfer issued by the granting authority to the beneficiary. This document contains the main terms for the grant award and the primary obligations of the beneficiary. The legal act on grant award / transfer also includes further documents containing the terms and rules that are binding for the beneficiary, which the beneficiary must follow during implementation of the project.

This concerns:

- Rules for Applicants and Beneficiaries of the OP RDE;
- any further specified documents referred to in the legal act on grant award / transfer..

These documents may be regularly updated. Such version of the mentioned documents is binding, which is mentioned in the legal act on grant award / transfer.

These documents are freely accessible, including the updated versions on the website of the Managing Authority of the OP RDE, which is the Ministry of Education, Youth and Sports of the Czech Republic (MA) –<http://www.msmt.cz/strukturalni-fondy-1/op-vvv> and also at <http://www.dotaceeu.cz>.

In addition to the mentioned documents, the beneficiary must, during the implementation of projects, also follow the valid and effective legislation of the Czech Republic and the European Union.

The legal act on grant award / transfer will include the commitment of the beneficiary to provide outputs from the project for use in the outputs database and for public information with respect to the fact that it concerns public funds; see Chapter 7.3.3.

In the legal act on grant award / transfer, there can also be project milestones by which the beneficiary will be obliged to report the fulfilment of the previously stated values (contextual and financial).

In addition, in the legal act on the provision / transfer act, the beneficiary will be bound to provide assistance during the implementation of evaluation activities within the OP RDE.

## 6.1 Forms of grant award

The grant will be awarded to the beneficiary in relation to the approval of the submitted grant application and on the basis of the issue of the legal act on grant award / transfer between the granting authority and the beneficiary. The granting authority is MEYS.

Individual types of legal acts on grant award / transfer stipulate the relations between the granting authority and the beneficiary. Legal acts on grant award / transfer are processed on the basis of binding methodologies for implementing the OP RDE, EU directives and the valid legislation of the Czech Republic.

On the basis of the results of the evaluation of the grant applications for support and approval for financing, the Managing Authority of the OP RDE prepares the proposal for the following legal acts on grant award / transfer according to the type of beneficiary.

- a) **Grant award decision** in accordance with Section 14 of the Budgetary Rules in the case of projects where the beneficiary is not a state organisation unit or a funded organization (contributory organisations of the state and of territorial self-governing units, state organisations), with the exception of contributory organisations established by the MEYS and contributory organisations, to whom the grant is provided on the basis of a special act.
- b) **Measure of Deputy Minister** in case of projects where the beneficiary is a state organizational unit – MEYS, or CSI, with the specifically stated terms for the grant award.
- c) **Letter (notification) from the Ministry on grant award**, where the binding annex is the terms, in the case of out of departmental state organization unit projects and established funded organizations, i.e. contributory organisations and contributory organisations of the state and of territorial self-governing units, state organisations, where the founder is the MEYS. In the case that the applicant / beneficiary is contributory organisations of the state and of territorial self-governing units, state organisations outside the departmental state organization unit, or the founder of contributory organisations of the state and of territorial self-governing units, state organisations, consequently issues its own decision on the provision of Budgetary Rules in which the terms and all formal requirements sent to the MEYS are respected.

The applicant whose project was approved will be provided with financial funds for support on the basis of these legal acts on grant award / transfer depending on the type of the beneficiary.

All types of legal acts on grant award / transfer must indicate the beneficiary of the grant (including the indication of statutory bodies), the purpose for which the grant is awarded, the amount of the grant awarded, date of issue, classification of funds according to Section 44, part 2 of Budgetary Rules, mode of financing for the project, binding period for implementation of the supported project, obligations of the beneficiary of the grant, terms for the use of the grant and sanctions for non-fulfilment of the terms of the legal act on grant award / transfer.

### **6.3 Notification of approval of the grant application from OP RDE**

After completing the approval process of the grant application, the Managing Authority produces for each call, the final list of recommended / not recommended grant applications for support.

The applicant is notified of the approval of the grant application in the form of a notification on the approval of the grant application from OP RDE. This notification is sent to the applicant (or the statutory body provided in the grant application) through IS KP14+ as a rule within 10 days from signing the list of recommended / not recommended NM projects for management of the operational programmes section.

#### **The notification contains the following data:**

- information about the approval of the project for financing with the indication of the registration number of the project and the reference number;
- amount of the approved grant that will be assigned for the project (may be lower than the budget stated in the grant application);
- information about the need to make changes in the project derived from conclusions of individual phases of the approval process, which must be fulfilled by the applicant so that the project can be supported (e.g. changes in project management, possible change in the budget - decrease, modification of indicators and all activities);
- call for identification of the applicant's bank account;
- list and samples of additional source materials for the issue of the legal act on grant award / transfer (including deadline for their delivery);
- information concerning the start and termination of the project and eligible expenditure;
- draft legal act on grant award / transfer (or with requirement for completion of the relevant data - identification data, representative, address, activities / stages, account number);
- or a summary of further recommendations of the evaluating / selection committee to make changes to the project.

### **6.4 Documents needed to issue a legal act on grant award / transfer**

Before signing the respective legal acts on grant award / transfer, successful applicants must send all requested documents to the provider that were notified by the provider in the call and in the notification on the approval of the grant application from OP RDE. These documents must be sent by applicants within the stated deadline stated by the granting authority in the notification on the grant application. Otherwise, applicants face the risk that the grant will be awarded to another project in the sequence order classified into the "Set of alternative projects".

The list of source materials needed for the preparation and issue of the legal act on grant award / transfer can be specified and mentioned in the call or in the related documentation to the call. Consequently, this list is also specified in notifications, which also include samples or finding forms for these documents.



**The requested documents include, for example:**

- 1a) Certificate of indebtedness**– certificate of indebtedness to the Financial Administration, health insurance companies, Czech management of social security.

Document proving that the applicant / partner does not have any enforceable tax arrears recorded in the Czech Republic, as well as in the country of the registered office, place of business or residence, does not have insurance arrears and penalties from public health insurance and/or contribution to the state unemployment policy either in the Czech Republic, as well as in the country of the registered office, place of business or residence).

The fulfilment of the conditions of indebtedness is considered if the taxpayer was permitted to postpone the payment of tax or the payment of tax in the form of instalments was permitted according to the provisions of Section 156 of the Tax rules or payment of the insurance premium and a penalty in instalments was permitted according to the provisions of Section 20a of the Act on social security and the contribution to the state unemployment policy.

After the expiration of the date of the postponement to pay tax (deferred maturity) or the date of payment of tax in the form of instalments in the certificate of indebtedness, the applicant and the partner must repeatedly submit the document regarding the indebtedness that proves the non-existence of enforceable tax arrears.

**Who submits the documents?** Applicants and partners with the exception of partners without financial co-participation.

**When are the documents submitted?** If the affidavit was submitted during the submission of grant application.

**Form of submission:** original or certified copy.

- 1b) Document on non-indebtedness**– applicants and partners with the exception of partners without financial co-participation.

**Who submits the documents?** Applicants and partners with the exception of partners without financial co-participation.

**When are the documents submitted?** If the documents were submitted during the submission of the grant application.

**Form of submission:** original or certified copy. The sample of the affidavit is published on the website.

**2) Power of Attorney / authorization for representation**

**Who submits the documents?** applicants and partners.

**When are the documents submitted?** if during the submission of the grant application ,the power of attorney / authorization for representation was submitted in the form of a simple copy.

**Form of submission:** original or certified copy.

- 3) Affidavit** on the active data box and the commitment to have the data box active during the whole period of implementation and sustainability of the project.

**Who submits the documents?** Applicants and partners if they are called to submit.

**When are the documents submitted?** Applicants for whom opening the data box is not binding.

**For the following subjects, the opening of data boxes is a statutory obligation:** public authority bodies, corporate bodies registered in the commercial register, corporate bodies established by act, organisation units of the enterprise of a foreign corporate body registered in the commercial register, attorneys, tax advisers and insolvency administrators.

**The opening of the data box is not obligatory for the following subjects:** corporate bodies not registered in the commercial register, i.e. associations, foundations, institutions, association of unit owners, generally beneficial companies, contributory organizations, churches, hunting companies and foreign legal entities not registered in the Czech Republic.

**Form of submission:** original or certified copy. The sample of the affidavit is published on the website.

- 4) **Partnership agreement** (Partner contract) – if the signed agreement was not attached to the grant application, it must be delivered No. later than within the deadline for the submission of source **materials for the issue of the legal act on grant award / transfer stated by the granting authority.**

**Form of submission:** original or certified copy.

**Who submits the documents?** applicants<sup>21</sup>.

**When are the documents submitted?** If during the submission of the grant application. the “Principles of partnership” annex was submitted.

The sample of the affidavit is published on the website.

- 4a) **Clause certifying the consent of the founder**, the corporate body concludes the Contract on partnership.

**Form of submission:** original or certified copy

**Who submits the documents?** The applicants.

**When is the submission made?** If the contracting party (i.e. partner) is a corporate body established by the state, region, municipality or association of municipalities.

- 5) **Affidavit of the partner (in the case of a partner in the project)** – acceptability (eligibility), ensuring own funds, liquidation, execution and insolvency proceedings, integrity, indebtedness, the final affidavit.

**Who submits this?** The partner.

**When are the documents submitted?** If the original or certified copy was not submitted during the submission of the grant application.

**Form of submission:** original or certified copy.

The sample of the affidavit is published on the website.

- 6) **Document on annual turnover**

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<sup>21</sup> Corporate body executing the activity of a school and the school facility is obliged, in the case of financial partnership, to respect the requirements stated in the provision of Section 32a of the School Act

**Who submits the documents?** Applicants and partners specified in the call or the related documentation (e.g. LAG, micro region, private-legal subjects, contributory organizations which are not established by state organization unit, etc.).

**When is the submission made?** If during the submission of the grant application, the affidavit on the submission of the turnover was submitted.

**Form of submission:** simple copy of the profit and loss statement for the previous closed accounting period.

## 7) Declaration on size of enterprise

**Who submits the documents?** applicants and partners.

**When are the documents submitted?** In the case of the application of Commission Directive No. 651/2014<sup>22</sup>.

**Form of submission:** original or certified copy.

The sample of the affidavit is published on the website.

## 8) Declaration of connection with other enterprises<sup>23</sup>

**Who makes the submission?** applicants and partners.

**When are the documents submitted?** In the case of the application of Commission Directive No. 1407/2013, this concerns projects to which the support is provided in the regime de minimis.

**Form of submission:** original or certified copy.

The sample of the affidavit is published on the website.

## 9) Document on bank account/sub-account<sup>24</sup> – form of financial identification confirmed by the bank<sup>25</sup>, i.e. information about the bank account or sub-account designated for financial transactions related to the approved project. This confirmation must not be older than 90 calendar days from the date of sending the notification for the grant award on the part of the granting authority.

**Who submits the documents?** Each applicant and partner obligatory.

**When are the documents submitted?** Always obligatory.

**Form of submission:** original or certified copy.

## 10) Document regarding the account of the founder<sup>26</sup>.

**Who submits the documents?** The applicant.

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<sup>22</sup> Definition of small, medium, see Commission Directive No. 651/2014, Annex I

<sup>23</sup> Definition see METHODOLOGICAL MANUAL for the application of the term "one enterprise" from the viewpoint of support de minimis, accessible at [www.Compet.cz](http://www.Compet.cz)

<sup>24</sup> Not valid for IPs.

<sup>25</sup> If the document issued by the bank is accepted, containing all relevant information.

<sup>26</sup> Optional, if the founding entity is identical with the support provider.

**When is the submission made?** When relevant (e.g. contributory organisations of the state and of territorial self-governing units, state organisations, etc.). **Form of submission:** Original or certified copy.

**11) Declaration on substantial changes** taking place from the time of the submission of the grant application. This may only concern objective changes, e.g. changes:

- in the identification of the project (in the legal form of the applicant, registered office of the applicant, statutory bodies, change of the applicant as the VAT payer, etc.);
- in the project resulting from the decision of the evaluation / selection committee, updated financial plan of the project;
- time schedule of key activities;
- changes in the project having the character of important and unimportant changes. These changes may be caused by circumstances that the applicant could not influence, e.g. time delay between the submission of the application and the start of the implementation of the project or in justified cases, initiated by the applicant. The applicant uses, in the case of a change having the character of significant changes, the same procedure as described in Chapter 7.2.2. Each change must be recorded in the form of the application for change in the IS KP14+.

**Who submits the documents?** The applicant.

**When is the submission made?** in case that changes occur.

**Form of submission:** original or certified copy.

**12) Construction annexes**

**Who submits the documents?** According to the description in the call documentation

**Form of submission:** according to the description in the call documentation **When**

**the submission is made:** according to the description in the call documentation

In the case that further annexes are required outside the scope of the above-mentioned, these are mentioned in the Rules for Applicants and Beneficiaries – specific section / notification.

Forms for the submission of annexes:

- “electronic original” (statements primarily produced electronically or documents signed by a secure electronic signature)
- or officially verified copies in electronic form – documents created by the authorized conversion of the original in paper form into electronic form)
- or simple copies (scan) – an original or certified copy must be submitted by the applicant / partner at the request of the Managing Authority or during checking.

## 6.5 Approval of grant award

After delivery of the requested documents by the applicant, the granting authority is to start the completion and preparation of source materials for the issue of the legal act on grant award / transfer. Legal act on grant award / transfer is issued No. later than **within three months** from selection of the project or from the date when the applicant for the selected project submitted all source materials requested by the granting authority for the issue of the legal act on grant award / transfer. MA OP RDE may specify or shorten the deadline within the related call documentation.

The legal act on grant award / transfer is sent to the beneficiary through IS KP14+, or the data box. Legal act on grant award / transfer comes into effect at the date of signature by the support provider.

With the issue of the legal act on grant award / transfer, the applicant becomes the beneficiary and during the implementation of the project must follow the binding terms mentioned in the legal act on grant award / transfer and in the rules for the applicant and the OP RDE beneficiary.

The beneficiary is entitled to request a change to the legal act on grant award / transfer only in accordance with the Budgetary Rules and the rules stated in the Rules for Applicants and Beneficiaries (in Chapter 7.2).

The change of rights or obligations in the legal act on grant award / transfer can be made on the basis of the application in the form of change proceedings in the IS KP14+ only in cases enabled in Section 14(13)(a) of the Budgetary Rules.

With the change of rights and obligations in the legal act on grant award / transfer, it is not possible to change the main person of the beneficiary (unless stated otherwise), the person of the granting authority and the purpose for which the grant is awarded is designated [formal requirements stated in Section 14 (4)(a), b) and d) of the Budgetary Rules with the exception of the registered office and other data concerning the beneficiary, see Chapter 7.2.2.1].

In the case of the change of the legal act on grant award / transfer, the original legal act on grant award / transfer remains valid and the granting authority issues the decision on the change of the legal act on grant award / transfer, stating which formal requirements of the original legal act on grant award / transfer are changed or replaced.

Corrections of evident inaccuracies, which are mainly errors in writing and numbers and changes to projects resulting from these inaccuracies that do not change the binding indicators, can be made by issuing the decision on the change of the legal act on grant award / transfer without application by the beneficiary.

## 7. CHAPTER – PROCESSES AND RULES OF THE PROJECT MANAGEMENT

### 7.1 Monitoring

Monitoring is an integral part of the project cycle. The objective of monitoring is to regularly collect, sort, aggregate, store data and information and ascertain the status and the progress in the implementation of projects and compare the information obtained with the initial values and the proposed plan and after implementation (e.g. results indicators). In addition to control and evaluation activities, monitoring activities also have a partially preventive function related to the timely reflection

of possible risks and possible discrepancies. Monitoring is a continuous activity, which is conducted throughout the whole duration of the project.

The beneficiary of the grant must fulfil the obligations related to monitoring, i.e. submission of interim report on project implementation (monitoring reports).

### **Types of monitoring reports:**

- interim report on project implementation (Report on project implementation),
- information about the progress of the project implementation (IoP),
- final report on project implementation,
- final report on project implementation for the whole period of implementation
- interim report on project sustainability
- final report on project sustainability

**Relevant types of monitoring reports and the frequency of their submission** are mentioned in the related documentation to the call and consequently in the legal act on grant award / transfer.

Samples of annexes to monitoring reports /Request for payment are published for information on the website of MEYS <http://www.msmt.cz/strukturalni-fondy-1/prehled-vzoru-prilohy-monitorovacich-zprav> The final wording of the sample annexes will be available in the IS KP14+ at the respective call.

### **Evaluation activities**

The project beneficiary / partner must also provide assistance during the implementation of evaluation activities within OP RDE, throughout the whole period of the implementation of the project, and during the period of its sustainability at any time if it is necessary in relation to the resolution of the project. The objective of the implementation activities is to evaluate the success of the OP RDE interventions implemented at the level of the programme. The beneficiary of the project participates on the basis of the address of the MA OP RDE in evaluating activities, e.g. in the form of participation in controlled interviews, questionnaire investigations, etc. The commitment of the beneficiary / partner to provide assistance during the evaluation of the success of the OP RDE interventions will be an integral part of the legal act on grant award / transfer. Features for evaluating activities will be specified according to the relevant call or in related documents to the stated call.

#### **7.1.1 Interim report on project implementation (including interim request for payment)**

The interim report on project implementation serves for informing MA OP RDE about the work procedure on the project approved within the OP RDE. It includes contextual, as well as financial monitoring of projects. It is a tool for monitoring and evaluating the work procedure within the approved project. The emphasis is placed on the description of the work carried out in the period from the submission of the previous Report on project implementation. The Report on project implementation contains information about keeping to the original time schedule for work in this period, changes in the implementation of the work and the reasons. The Report on project implementation also contains a description of the activities planned for the next period.

**The beneficiary submits an interim report on project implementation together with the request for payment.**

The beneficiary submits the project Report on project implementation depending on the type of financing of the project as follows:

- for projects with **ex-post and combined financing** together with Request for payment with the submitted requested documents;
- for projects **with ex-ante financing** together with the settlement of funds provided from the national budget for pre-financing and with further request for payment (sending further financial funds).

### **Deadlines for the submission of project Report on project implementation/Request for payment**

The beneficiary must continuously submit reports on project implementation and request for payment, including all necessary annexes to the granting authority. **The first interim report on project implementation and request for payment, including all necessary annexes** is to be submitted by the beneficiary within 20 business days after expiration of a maximum of three months<sup>27</sup> from the date of the issue of the legal act on grant award / transfer (depending on what occurs later) and each further Report on project implementation/Request for payment within 20 business days; as a rule after the expiration of the previous monitoring period. In the text of the call for proposals or in the legal act on grant award / transfer, the granting authority may state a shorter length of the monitoring period.

### **Postponement of the deadline for the submission of Report on project implementation/Request for payment**

In the case that MA OP RDE does not receive from the beneficiary the Report on project implementation /Request for payment within the deadline stated in the legal act on grant award / transfer, the request for correction is sent to the beneficiary in the form of an internal dispatch with the notification of a possible financial penalty according to the legal act on grant award / transfer. In the internal dispatch 10 business days are stated for the submission of the Report on project implementation within the alternative deadline.

This period is considered from the date of delivery of this internal dispatch. In the case of non-fulfilment of the alternative deadline for the Report on project implementation/Request for payment, a financial penalty can be applied according to the legal act on grant award / transfer.

**The deadline for the submission of the same Report on project implementation/Request for payment can be extended only once, i.e. only one alternative deadline can be stated.**

### **Returning the Report on project implementation /Request for payment for revision**

In the case that the Report on project implementation/Request for payment is returned to the beneficiary for revision, correction or amendment, the MA OP RDE always defines the full list of Request for payment /Report on project implementation defects in the project, if the MA OP RDE does not agree with the beneficiary otherwise (for example, in the case of wide ranging Report on

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<sup>27</sup> The last day of the monitoring period from which the deadline is stated for the submission of the Report on project implementation /Request for payment, is the last calendar day of the last month in the monitoring period.

project implementation /Request for payment, comments can be submitted in phases due to the fluent settlement). The beneficiary must settle the project Request for payment/ Report on project implementation comments within the deadline stated by MA OP RDE. As a rule, the MA OP RDE states a period of **10 business days**; however, depending on the character and the scope of defects, a shorter or longer period can be stated<sup>28</sup>(while keeping to the period of 90 calendar days).

### **Insufficient period for the settlement of comments to the project Request for payment/Report on project implementation.**

In the case that the beneficiary evaluates that the deadline for the settlement of comments is not sufficient, they are to request the MA OP RDE through IS KP14+ for an extension a sufficient time in advance (a minimum of two business days before the expiration of the deadline). The MA OP RDE project administrator, after receipt of the application, notifies an alternative deadline for submitting the settlements to the comments to the Report on project implementation/Request for payment through internal dispatch IS KP14+. The maximum period for the extension of the deadline for the settlement of comments to the Report on project implementation/Request for payment is 10 business days. This period starts from the day following the date by which the settlement of comments to the Report on project implementation/Request for payment is to be submitted. The beneficiary may request this extension only once (not during each repeated re-amending within one Report on project implementation/Request for payment – unless stated in complete cases, the MA OP RDE decides otherwise).

### **Earlier submission of the report on project implementation /Request for payment**

In extraordinary cases, the beneficiary may request the MA OP RDE for permission to submit the Report on project implementation /Request for payment (to shorten the subsequent monitoring period). This is done through the change proceedings where the beneficiary requests a significant change in the time schedule for the Report on project implementation and the financial plan of the project (Request for payment). If the change proceedings are approved, the beneficiary submits the Report on project implementation /Request for payment within an earlier deadline. The time schedule for the other Report on project implementation/Request for payment is postponed depending on the length of the monitoring period stated in the legal act on grant award / transfer.

### **Submission of Report on project implementation/Request for payment**

Project Report on project implementation/ Request for payment is submitted by the beneficiary in electronic form on the stated form mentioned in the module Reports IS KP14+.

### **Agreement between MA OP RDE and the beneficiary on the non submission of interim report on project implementation/Request for payment**

After agreement with the MA OP RDE project administrator (in the form of dispatch in the IS KP14+) it is possible to agree possible the non submission of the last interim report on project implementation /Request for payment, on the basis of the application for significant change, see

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<sup>28</sup> This deadline may only be extended only on the basis of the proper justification and proper justification is usually force majeure. Drawing of holiday of the implementation team staff, absence of the beneficiary statutory body representative etc. are not relevant reasons.



Chapter 7.2.2, as a change not based on the change to the legal act on grant award / transfer. This agreement is possible in the case that the last Report on project implementation/Request for payment was to be submitted within a deadline shorter than 2 months before the termination of the implementation of the project. The beneficiary requests the MA OP RDE for the non submission of the Report on project implementation/Request for payment and for the revision of the financial plan in a similar manner as in the case of the previous submission of Report on project implementation/Request for payment. MA OP RDE may consequently permit the production of only the final Report on project implementation / Final request for payment.

### **Deadlines for administration of Report on project implementation/Request for payment**

The total period of administration of Report on project implementation/Request for payment from submission by the beneficiary through to approval by the MA OP RDE **does not exceed 40 business days**. In the case that the submitted Report on project implementation/Request for payment, or the requested source materials contain defects or are incomplete, the MA OP RDE contacts the beneficiary with a request to remove defects within the stated deadline. In standard cases, MA OP RDE states the deadline for removing defects and amendment within the period of **10 business days**; however, depending on the character and the scope of defects, a shorter or longer deadline may be stated<sup>29</sup>. In the time during which the Report on project implementation/Request for payment is at the beneficiary, **the period of 40 business days is paused**. As soon as the defect is removed, this period of 40 business days starts again from the beginning. The total period of administration of Report on project implementation/Request for payment, including the pause in the period, must not exceed **90 calendar days** from submission by the beneficiary **up to approval by MA OP RDE in the case of the Report on project implementation project and up to the payment in the case of Request for payment. The beneficiary is informed of the approval/non approval of the Report on project implementation through internal dispatch. Non approval of the Report on project implementation means disagreement with the sent form or the content of the Report on project implementation (e.g. contains false or dubious data, which the beneficiary did not manage to defend with the submission of the additional documentation). The non-approval of Request for payment by MA OP RDE is only in the case that all submitted expenditures are rejected.**

### **Administration of Report on project Implementation**

The MA OP RDE project administrator verifies the formal requirements of the Report on project implementation within **20 business days** from submission by the beneficiary and terminates the verification by changing the respective status in the MS2014+. After verification of the formal requirements, the MA OP RDE can return report to the beneficiary for amendment or can resolve any defects

during the verification process for the content of the Report on project implementation. The beneficiary is informed about reasons for the return through internal dispatch. In terms of the

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<sup>29</sup> This deadline may only be extended only on the basis of the proper justification and proper justification is usually force majeure. Drawing of holiday of the implementation team staff, absence of the beneficiary statutory body representative etc. are not relevant reasons.

content, the Report on project implementation is evaluated within **20 business days** from approval of the formal requirements.

MA OP RDE sets the content of the Report on project implementation and the content and format of the annexes in the MS2014+ in relation to the announced call for the submission of grant applications for the support (i.e. the format of the Report on project implementation may differ for projects supported in various calls). The sample of the Report on project implementation is mentioned in Chapter 18 Annex No. 2.

### **Administration of the request for payment (Request for payment)**

Request for payment is submitted by the beneficiary in electronic form on the stated printed form through IS KP14+ together with the Report on project implementation. In addition to Request for payment, the beneficiary submits the scanned accounting and other documents required to prove the eligible expenditure in the stated Request for payment.

**In the case of ex-ante financing in the Request for payment, the** beneficiary submits the settlement of financial funds pre-financed within advance payments. As a rule, it contains the request for payment of the further advance payment.

**In the case of ex-post financing in the Request for payment the** beneficiary submits A request for re-payment of eligible expenditure spent for implementation of the project from their own resources.

**In the case of combined payments** the beneficiary submits paid expenditure, as well as not paid costs in the Request for payment. Rules for financing in combined payments are in Chapter 8.1.3.

**After the approval** of Request for payment, the payment (or in the case of ex-ante financing, the payment of the further advance payment) is made No. later than within **10 business days** from approval by the MA OP RDE

**In the case that the** beneficiary is not able to document all accounting documents related to expenditures submitted in the stated Request for payment (even after the additional call of the granting authority during the administration of the stated Request for payment), these expenditures may be excluded by the MA OP RDE from the stated Request for payment. These excluded expenditures are not eligible and will not be indicated by the granting authority as a non-compliance. In such a case, the beneficiary may submit these additionally documented expenditures within the following Request for payment. If the beneficiary will not submit these excluded expenditures No. later than in the final Request for payment, these expenditures become ineligible and the beneficiary cannot apply for payment. Further information about the final Request for payment is in Chapter 7.3.3.

In the case that MA OP RDE ascertains that the terms under which the grant was approved were breached, the MA OP RDE will evaluate the concerned expenditures as ineligible,

and in relation to this, it has the option not to pay the concerned funds (to shorten Request for payment). The detailed procedure in cases of enforcement of funds affected by an error by the beneficiary is in Chapter 9.2.

In the case that during the inspection of source materials for submitted expenditures in the Request for payment, it is necessary to request other bodies to submit a statement and it is not possible to

exclude these expenditures from the submitted Request for payment, there is a pause in the period of 40 business days for administration as stated in the Request for payment for the necessary period. Similarly, deadlines are paused in the case of the application of the following paragraph.

If during the administration of Request for payment, the MA OP RDE suspects that budgetary discipline was breached according to Budgetary Rules, there was a criminal act related to the operation co-financed from the EU budget or an administrative offence by the employer or vendor pursuant to Public Procurement Act, MA OP RDE, the case will be passed to the competent body for further investigation, i.e. the financial administration body (hereinafter referred to as “financial administration authority”), the Police of the Czech Republic or the prosecutor, Office for the Protection of Competition.

**In the case that all funds from the national budget designated for the implementation of the project were transferred to the beneficiary the beneficiary will submit the Request for payment, which must only contain the settlement of the previous advance payment. Before the submission of each Request for payment, the beneficiary must revise the balance of spending the financial funds on the approved project and in the case that the beneficiary considers they have sufficient financial reserve for pre-financing for the following period for the implementation of the project they are to submit the Request for payment, which must only contain the settlement of the previous advance payment.**

**The granting authority may propose a temporary interruption in the payment during the implementation of the project. This happens in the case:**

- where the financial administrator during the administration of the Request for payment identifies a significant difference between the amounts paid by the granting authority for the stated project and the amounts that were settled by the beneficiary from these advance payments;
- when, at the same time, the beneficiary does not submit the financial plan for the settlement of further monitoring periods that correspond to the demand to pay the requested amount of the advance payment within the stated Request for payment;
- the MA OP RDE identifies a suspicion of fraud concerning the existing unpaid amounts, which this suspicion could threaten - e.g. fraudulent obtaining of the grant award, suspicion of false reporting of activities, etc.

The financial administrator of the MA OP RDE with the assistance of the beneficiary, proposes a temporary suspension of the payment and takes into consideration the plan for settlement and the time schedule for the planned project activities in the further monitoring periods.

Consequently, the beneficiary is informed of the approval of the temporary suspension of payment through internal dispatch in the IS KP14+. At the same time, the beneficiary must notify the granting authority No. later than by the deadline for the submission of the further Request for payment of the change to the financial plan through the change proceedings in the IS KP14+.

**The return of unused financial funds during the implementation of the project**

During the implementation of the project, the beneficiary may **return within one calendar year any unused financial funds that were sent in the form of advance payments.** Due to this reason, the financial administrator of the respective department of the MA OP RDE through the internal dispatch in the IS KP14+ calls the beneficiary, as a rule by the 15 February, in the

stated calendar year to return any unused financial funds, which were pre-financed to the beneficiary in the stated year. At the same time, it must be valid that it concerns financial funds, which the beneficiary will not use up to the end of the implementation of the project. In the case that the beneficiary will send the above-mentioned return of financial funds, they must send on the basis of this call, an **advice note for the returned amount** to the financial administrator of the respective department of the MA OP RDE **best five business days in advance but a minimum of one business day before sending the financial funds to the account of the MA OP RDE**,. For the simplification, the beneficiary is to indicate the registration number of the project as a variable symbol in the advice note. Financial funds must be credited to the account of the MA OP RDE No. later than by 31. 12. of the stated year.

### **Request for payment issued from the level of the MA OP RDE**

Request for payment are issued in the IS KP14+ by the beneficiary. Only in the following cases it is possible to issue Request for payment from the level of MA:

- a) in the case of the first advance payment** (in the case of ex-ante financing) and advance payments derived directly from the legal act on grant award / transfer;
- b) during the administrative return of unused financial funds**, which were pre-financed in the same year;
- c) during the administration of additional Request for payment – in the case**, when the MA OP RDE during the administration of the stated Request for payment reduces the level of submitted expenditures and consequently pays the stated Request for payment at a reduced level; the beneficiary may submit the Application for investigation. If MA OP RDE accepts the application, the reduced expenditures are repaid. The beneficiary may submit the application
  - for review during the implementation of the project if the final Request for payment was not submitted and approved – in this case, the beneficiary may re-submit these reduced expenditures in some of the other Request for payment, within which they will be consequently refunded (they must be submitted No. later than in the final Request for payment). In the case that the final Request for payment was already approved by the MA OP RDE and the MA OP RDE decides to meet the request for investigation,
  - **the MA OP RDE issues the additional Request for payment, on the basis of which the amount of reduced** eligible expenditure from previous period will be paid.

### **7.1.2 Information on project implementation progress**

Information about the progress of the project implementation (IoP) serves for regular monitoring of the procedure for the implementation of the project approved within the OP RDE in the period from the issue of the legal act on grant award / transfer up to the submission of the first **report on project implementation** and in the period between the submission of the further regular and final **report on project implementation**. Information about the progress in the implementation of the project does not contain any request for payment. Information on project implementation progress - an additional tool for the Report on project implementation, which MA OP RDE may use within the management and coordination of national individual projects. The requirement for the submission of this report is in the legal act on grant award / transfer. The MA OP RDE may request the submission from the beneficiary any time during the implementation of the project from the time

when it identifies in the project any principal defects or threats preventing the fluent implementation of the project activities.

Information about the progress in the implementation of the project is submitted by the beneficiary in electronic form on the printed form found in the module Reports IS KP14+.

Verification, approval and administration of IoP is ensured by the MA OP RDE project administrator and is performed in the same manner as the inspection of the Report on project implementation, see Chapter 7.1.1.

The MA OP RDE sets the content of the report and the content and the format of the annexes in the MS2014+ in relation to the announced call for the submission of grant applications for support (i.e. the format of the report may differ for projects supported in various calls). The IoP sample is in Chapter 18 Annex No. 4.

### 7.1.3 Final report on project implementation

The final report on project implementation provides the MA OP RDE with information about the status of the project up to the termination of its (physical) implementation. The content of the Final report on project implementation evaluates the success of the whole project and advises the results and completed activities implemented within the project. The Final report on project implementation must contain a detailed description of the terms under which the project was implemented, summary information of the measures taken for project publicity, information about the fulfilment of all conditions, parameters and indicators defined in the grant application, legal act on grant award / transfer, sources of financing and any information that can be used to evaluate the impact and synergy of the project.

The beneficiary is to submit the project Final report on project implementation containing information covering the period from the last approved Report on project implementation from the date of termination of the (physical) implementation of the project and, at the same time, the period that applies to the physical implementation of the project if the expenditures were paid after the date of termination of the (physical) implementation of the project; however, a maximum of up to the date of submission of the project Final report on project implementation. The beneficiary is to submit the Final report on project implementation together with the final Request for payment; see Chapter 7.3.3.

The beneficiary must submit the MA OP RDE Final report on project implementation within **40 business days from the date of termination of the (physical) implementation of the project**<sup>30</sup>. In the case that MA OP RDE will not receive from the beneficiary the project Final report on project implementation /Request for payment within the deadline stated in the legal act on grant award / transfer, the MA OP RDE will immediately prepare the MS2014+ in the form for internal dispatch, the notification of the potential application of a financial penalty according to the legal act on grant award / transfer. In the internal dispatch will be a deadline for the submission of the project Final report on project implementation within an alternative deadline of 10 business days. This period starts from the date of delivery of this internal dispatch. In the case of non-fulfilment of the alternative deadline for the submission of the final report on project implementation, financial sanction can be applied according to the legal act on grant award / transfer.

<sup>30</sup> The beneficiary may submit the final report on the implementation as soon as the previous report is approved by the MA OP RDE.

In the case of a project which generates income according to Article 61 of the general directive, the beneficiary submits, together with the Final report on project implementation, the calculation of the financial gap according to the actual values.

The Final report on project implementation is checked in the same manner as checking the Report on project implementation; see Chapter 7.1.1.

The MA OP RDE sets the content of the report and the content and the format of the annexes in the MS2014+ in relation to the announced call for the submission of grant applications for support (i.e. the format of the report may differ for projects supported in various calls). The Final report on project implementation sample is in Chapter 18 Annex No. 2.

#### **7.1.4 Final report of the project for the whole period of the implementation of the project**

The Final Report on project implementation contains information about the whole period of the implementation of the project and is submitted by the beneficiary together with the final Request for payment for projects with ex-post and combined financing or with the settlement for projects with ex-ante financing. The content of the Final report on project implementation evaluates the success of the whole project and the fulfilled activities implemented within the project

#### **The submission of this report is only binding for beneficiaries fulfilling one of the following conditions:**

- a) investment projects<sup>31</sup> with the volume of total eligible expenditure above 100 mil. CZK according to the legal act on grant award / transfer;
- b) projects for which with the last Request for payment or the settlement, the physical and/or financial implementation of the event <sup>32</sup>continues that was part co-financed from ESIF.

These beneficiaries only submit this type of final report after the date of termination (physical) of the implementation of the project and/or the financial implementation of the event. Preparation and submission of the above-mentioned project Final report on project implementation project; see if previous Chapter 7.1.3 is irrelevant for it.

Further information about this report is in Chapter 7.3.3.

The Final report on project implementation for the whole implementation period is checked in the same manner as checking the Report on project implementation project, see Chapter 7.1.1.

The MA OP RDE sets the content of the report and the content and the format of the annexes in the MS2014+ in relation to the announced call for the submission of grant applications (i.e. the format of the report may differ for projects supported in various calls). The Final report on project implementation sample is in Chapter 18 Annex No. 3.

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<sup>31</sup> Projects where the investment costs represent more than 50% of the total eligible expenditure.

<sup>32</sup> Event means a set of projects financed from more sources.

### 7.1.5 Interim report on project sustainability

The interim report on project sustainability is submitted by the beneficiary during the period stated in the legal act on grant award / transfer. It is always submitted per each expired year.

The monitoring period is regarded as either from the date of termination of the (physical) implementation of the project (valid for projects financed from ESF) or from the date when the project receives central status "Project financially terminated on the part of MA" (concerns projects financed from ERDF), not later than on the 10th business day after the expiration of each year of sustainability. The specific time of the monitoring period is specified in the call / in the legal act on grant award / transfer.

Verification, approval and further administration of the regular report on the sustainability of the project is in the competence of the authorized employee of the MA OP RDE and is done in the same manner as checking the Report on project implementation; see Chapter 7.1.1.

The beneficiary submits reports through IS KP14+; the reports do not contain a request for payment. The MA OP RDE sets the content of the report and the content and the format of the annexes in the MS2014+ in relation to the announced call for the submission of grant applications (i.e. the format of the report may differ for projects supported in various calls).

The sample of the report on the sustainability of the project is in Chapter 18 Annex No. 5.

### 7.1.6 Final report on project sustainability

After the termination of the sustainability period, which is regarded as from the date when the project was given the status "Project financially terminated by MA" or within 10 business days from termination, the beneficiary is to submit the final report on the sustainability of the project. The report is to be submitted in the same form and content as the interim report on project sustainability. The Final report on project sustainability includes an evaluation of the success of the implementation of the project or the implemented activities; see Chapter 7.3.6.

## 7.2 Project changes and project supplementation

The project must be implemented in accordance with the legal act on grant award / transfer or in accordance with the legal act and changes implemented during the project. All changes are recorded into the IS KP14+ in the form of the **change proceedings**.

Each change must respect the conditions for the implementation of the project stated by the OP RDE and must have a relevant justification.

Changes are divided into:

- **insignificant changes** – changes that can be made by the beneficiary without the consent of MA OP RDE.
- **significant changes** – changes for which the consent of the MA OP RDE is required
  - initiating the change to the legal act on grant award / transfer;

- not initiating the change to the legal act on grant award / transfer;

**Significant changes cannot be approved with retroactive efficiency.** The exception is the approval of changes where the beneficiary could not influence the reason. As a rule, change is effective the day following the date of approval of the significant change. The MA OP RDE may state the effective date later.

The approval of the significant change will be notified to the beneficiary by internal dispatch.

The MA OP RDE recommends the beneficiaries of the support that the character <sup>33</sup> and content of the changes are consulted with the MA OP RDE in advance.

### **Returning the application for change or amendment**

In the case that the application is returned to the beneficiary for revision, correction or amendment, the MA OP RDE will always define the full list of defects to the application for change. The beneficiary must settle the comments sent and submit the amended application for change within the deadline stated in the MA OP RDE. The MA OP RDE states the deadline as 5 business days however, depending on the character and the scope of the defects, a shorter or longer period may be stated<sup>34</sup>.

### **General rules for changes in the financial area:**

- changes in the budget may only be made with respect to the rules defined in the OP RDE documents and Czech legislation;
- in the case of any changes made, there must not be any exceeding of the binding process limits stated for individual chapters of the budget for the project mentioned in the call and all terms of the legal act on grant award / transfer must be kept;
- specific items, which were decreased/cancelled in the budget on the basis of the recommendation of the evaluation / selection committee, cannot be increased / renewed by the applicant during the implementation of the project in the form of an insignificant change<sup>35</sup> (does not concern legal social items and health insurance of employees and CSNF), which were reduced in relation to the decrease of other wage item).

## **7.2.1 Insignificant changes in the project**

These are changes in the project that do not require the previous consent of the MA before implementation. The beneficiary **regularly notifies the insignificant change (however, No. later than before handing over Report on project implementation) and the MA takes these into consideration.**

### **7.2.1.1 Insignificant changes of material character**

- **change in the beneficiary's contact data;**

<sup>33</sup> Considered significant / insignificant change.

<sup>34</sup> This deadline may only be extended on the basis of the proper justification, which is usually force majeure. Drawing of holiday of the implementation team staff, absence of the beneficiary statutory body representative etc. are not relevant reasons.

<sup>35</sup> However, it is possible to increase the number of pieces if the unit price was decreased and vice versa.



- **change in the name of the partner subject;**
- **change of the contact person** (if it is not a key employee –otherwise it is a significant change see 7.2.2.2);
- **change of the legal form of the beneficiary resulting from the change in legislation;**
- **change of auditor** (if the beneficiary of the project must conduct an audit);
- **change to the contract of the beneficiary with the partner having the character of an insignificant change**, which does not influence the fulfilment of the objectives or the value of the project indicators and concerns, e.g. change of the address of the partner, representative of the statutory body of the partner, change of the bank account of the partner or other changes mentioned in this chapter related to the partner of the project /with the exception of the change of the name of the partner's subject);
- **change in VAT payer status;**
- **change of the representative of the statutory body / person** authorized to act on behalf of the beneficiary. The beneficiary must send the notification within five business days about the change of the representative of the statutory body together with the source materials that prove this change;
- **changes related to the key employees of the project** – key employees are considered those employees for whom the call requires the submission of a professional CV; the change concerns a correction in the workload or the change of duties of the key employee for the project. In the case that the call requires the submission of the quality of the composition of the implementation team by professional CV, a significant change in the project is the replacement of one employee from the implementation team by another employee. Such a change is significant and is the subject of the evaluation by MA;
- **insignificant changes to the construction - technical character** – changes that do not have a negative impact on the scope and utility properties of the construction and do not cause the technical parameters of the materials used to worsen;
- **change in the manner of performing activities / stages**, which does not have a negative impact on the fulfilment of the objectives of the project:
  - change in the planned item of key equipment / functional module;
  - change in the research programme for which such equipment / module will be used is only valid for key equipment / functional modules with an acquisition price of above 1 million CZK without VAT and, at the same time, up to 5 million CZK without VAT if, at the same time, this change does not change any other parts of the legal act on grant award / transfer (e.g. budget or the scope of the research programme affected by the change of equipment). If changes in such key equipment exceed a total of 10 million CZK without VAT, in one calendar year, the change exceeding this limit and all following changes to the key equipment in the calendar year will be considered to be a significant change irrespective of the price of the acquired key equipment;

- **exceeding of the level of the target values of the binding output and resulting indicators**– if not related to the significant change in the budget and do not exceed the original target value of the indicator by 15%);
- **other changes that do not affect the achievement of indicators and the fulfilment of the project objectives.**

### **Insignificant changes of a financial character**

The budget chapter means the summary part of the budget (e.g. travel expenditure); the budget item means its part (e.g. per diem).

- **transfer of funds between items inside individual budget chapters** can be made without restriction with the exception of the transfer of funds concerning the human resources expenditure chapter and transfers between investments and non-investments (when it concerns a significant change);
- **transfer of financial funds between individual chapters** – without the previous consent of the granting authority, funds can be transferred between individual chapters up to the level of 15% of the volume of eligible expenditure of the chapter (according to the valid budget) from which the financial funds are transferred. The human resources expenditure chapter may be increased by such a transfer or further transfers only up to the level of 15% of the existing volume of eligible expenditure of this chapter (according to the valid budget);
- **creation of a new item or the cancellation of the item from the budget** – by the transfer of funds inside the chapter or by the transfer of funds within insignificant changes. Cancellation or the creation of the item can only be made under the condition that the activities approved in the grant application are fulfilled;
- **modification of the financial plan** – this concerns the transfer of amounts for requested pre-financing / settlement between individual periods for the financial plan (in the case that financial milestones are applied to the project and, at the same time, it is necessary to take into consideration the rules for the change of these milestones). Change proceedings concerning the financial plan can be initiated by the beneficiary, as well as the MA OP RDE. In the case of the revision of the financial plan by the MA OP RDE, the MA OP RDE will pass its proposal for changes to the beneficiary for evaluation; consequently, the beneficiary will implement the change;
- **transfer into the Savings to be distributed item** – on the basis of saving according to Chapter 12.5. of these Rules;
- **transfer into the Savings above 10% item** – on the basis of saving according to Chapter 12.5. of these Rules;

### **Restriction in making insignificant changes**

#### **Personnel expenditure chapter**

Insignificant changes can only be made in this chapter with the following changes: - change of the form of labour - legal relation (e.g. from Agreement to perform work to Employment agreement);

- division or merger of already approved workload (e.g. the workload of one employee 1.0 will be done by two employees, each 0.5 workload);
- the merged workload must respect the lowest approved unit wage from the merged workload (however, it must always respect the restriction on the execution of a maximum 1,2 of the concluded workload for the employee employed by the subjects involved in the project (i.e. beneficiary and partners); see the chapter for the Personnel costs budget;.
- changes caused by bonuses for work during Saturdays, Sundays and holidays, which are eligible (justified) and with their payment there will be the exceeding of budgetary expenditure of the items in this chapter;
- in cases where the wage compensation is paid by the average, which is higher than the adequate part of the wage in the stated month (the average is influenced by the low fund of working hours in the previous period); this difference can be covered within the insignificant change;
- creation of a new work position – decrease in wage rate;
- increase or decrease of the workload for the existing position (the approved unit price must not be exceeded, the units must be recalculated);
- creation / increase of the item for expenditure, which the beneficiary is obliged to legally pay (CSNF, legal insurance in the budget item Other binding expenditure, etc.).

**For funded organisations with stated binding indicators for the budget, any changes in the budget in the human resources expenditure chapter which cause the transfer between limit values, are considered as significant changes.**

### **Foreign business trips**

The item can be increased within one or more insignificant changes by a maximum of 15% towards the existing volume of eligible expenditure of this item (according to the valid budget).

### **7.2.2 Significant changes in the project**

These are changes that principally change parameters and the content of the project. All significant changes in the project establish the obligation of the beneficiary to submit within the change proceedings in the IS KP14+ the application for the evaluation of the change MA OP RDE change. In the application it is necessary to mention and justify the reason of the change.

The application for a significant change, which changes the period of the implementation of the project (non the sustainability period) must be submitted to the granting authority **no later than 40 business days** before the termination of the project, if the granting authority does not allow a shorter deadline. We distinguish significant changes, which:

- initiate the change to the legal act on grant award / transfer;
- initiate the change to the legal act on grant award / transfer;

### 7.2.2.1 Significant changes initiating the change to the legal act on grant award / transfer

- **Change of the registered office of the beneficiary.**
- **Change of the name of the subject of the beneficiary.**
- **Change to the legal form of the beneficiary<sup>36</sup>** – the corporate entity of the beneficiary did not expire or its assets are not transferred to its successor; only its legal relations and the legal position of their partners are changed. Change to the legal form of the beneficiary is only possible in cases where all the conditions of the authority of the applicant stated by the call are fulfilled (or related documentation in the call) and the legal act on grant award / transfer.
- **Change of the beneficiary – in extraordinary cases, it is possible to implement the project with a new** beneficiary who was not included in the grant application. A change in person of the beneficiary is only possible in cases where all conditions for the provision of the support stated in the call are fulfilled (or related documentation to the call) during the submission of the grant application, including the conditions stated in the legal act on grant award / transfer.

#### **Change of the beneficiary is only possible in the following cases:**

- change of the legal form of the grant beneficiary when the other data remains unchanged with the exception of the change resulting from the change in legislation (in this case, it concerns an insignificant change);
  - change of business company or cooperative according to the act on the change of business companies and cooperatives within the scope stated in the provision Section 14a of the Budgetary Rules;
  - in the case of the merger and division of school corporate entities pursuant to the provisions of Section 14d par. 3 of the Budgetary Rules;
  - legal change of the beneficiary when from a certain date there is renaming or the change of legal form (in this case it concerns an insignificant change).
- **Change in the name of the project.**
  - **Change of the place of implementation of the project.**
  - **Change of binding target values of output and resulting indicators** in relevant years. (Exceeding the level of the stated indicators is not considered to be a significant change to the project or if it does not relate to a significant change to the budget and does not exceed 15% of the original target value of the indicator.) Applications for significant change of the

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<sup>36</sup> In the case of the change of legal form or the change of the beneficiary from law, the granting authority takes into consideration the change on the basis of the written notification; however it does not change the legal act on grant award / transfer (i.e. the amendment to the legal act on grant award / transfer is not issued).

target values of the indicators will only be met when the beneficiary properly and relevantly justifies the application for change. The binding indicators cannot be cancelled.

- Adding an indicator** (can only be within indicators defined in the respective call).
- Involvement of a new partner in the project** – in extraordinary and sufficiently justified cases it is possible to involve a new partner in the project who was not mentioned in the grant application (e.g. in the case of the transformation of the subject of the partner and the origination of a successor organisation for the replacement of the partner with another partner when complying with all obligations and commitments). In the case of such change, the principles of partnership mentioned in Chapter 13 must not be breached.
- Cancellation /change of the partner during the implementation of the project.**
- Change of date of the termination of the project** – the change is to be accompanied by the submission of the time schedule for the implementation of the project:
  - extension of the period of the implementation of the project;  early termination of the project.
- Change to the bank account of the beneficiary**– the intention to change the bank account/sub-account must be notified in advance by the beneficiary to the granting authority. The beneficiary is entitled to make the change after the issued of the amendment to the legal act on grant award / transfer (before the issue of the amendment, the beneficiary submits a verified copy of the contract on the opening of the bank account or the form of financial identification). The granting authority states for the beneficiary in the amendment to the legal act on grant award / transfer, the obligation to transfer all OP RDE funds designated for the implementation of the project from the original bank account of the beneficiary to the new bank account of the beneficiary. Unless another deadline is stated in the amendment, the beneficiary is to make the transfer of funds within 10 business days from the date stated in the amendment to the legal act on grant award / transfer as the date of the implementation of the change. The change of account must be reflected in the subsequent requests for payment. In the case that the change of the bank is enforced by concluding the bank operations of the bank where the original bank account of the beneficiary was opened, the beneficiary is to immediately send within 5 business days to the provider of the of the support the notification of the change of account, which must include a copy of the contract on the opening of the new account or a printed form of financial identification confirmed by the bank along with the document on the transfer of financial funds from the original bank account to the new bank account.
- Change in the founder's flow account.**
- Decrease in the total eligible expenditure and related change to the financial plan.**

□ **Transfer of financial funds between investment items and non-investment expenditure**, or other changes in the budget resulting in a mutual change in the total level of investment and non-investment funds and the related change to the financial plan. In the case that the project is recorded in the EDS/SMVS and in the grant application does not contain investments; the change of investments is only possible in the year in which the legal act on grant award / transfer was issued. In the case of the projects which, on the basis of legal exceptions, are not recorded in EDS/SMVS, such changes can be implemented as significant changes that establish the change in the legal act on grant award / transfer.

- **Increase of the stated maximum percentage level of the advance payment.**

- **Transfer between budget chapters exceeding 15 %** of the volume of eligible expenditure of the chapter according to the valid budget from which the funds are transferred.

- **Increase in the volume of eligible expenditure of the personnel chapter costs** according to the valid budget by more than 15 %.

- **Change in the budget in the human resources expenditure chapter** for organisations with the stated binding indicators causing the transfer between the limit values.

In the case that funds were paid according to the binding indicators in the form of advance payments, the change can only be made only in the case that the provision and the change are classified into the same calendar year. In this case, the beneficiary will return the funds and the provider will provide them again in the requested structure.

In the case of a **significant change in the budget**, items in the new valid budget are taken into consideration for which a significant change was made and all items related to the significant change that were affected by an insignificant change.

#### **7.2.2.2 Significant changes not establishing the change of the legal act on grant award / transfer**

- **Change in the research programme.**

- **Change of key activity / project stage**– when the purpose or objectives of the activity / stage are changed.

- **Change to the planned item of key equipment / functional module and the research programme for which such equipment / module will be used** with an acquisition price of over 5 million CZK without VAT.

- **Change to the contract of the beneficiary where the partner has the character of a significant change**– the applicant must document the new draft contract with the partner along with the application for a significant change. For example, this concerns the change of the name of the partner, change of ID number /e.g. due to the merger of schools), change in the financial share of the partner<sup>37</sup>.

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<sup>37</sup> The change is only possible if adhering to the terms of the partnership; see Chapter 13: The beneficiary carries out the main, essential part of project activities, if the call does not set differently.

- **Change in the planned level of workload for key employees (in the FTE)**  
corresponding to individual positions in the research programme in last year of implementation of the programme.
  
- **Change in the number of employees (in FTE)** in the total researchers and total employees summary items in the last year of implementation of the project and during the sustainability period (if the sustainability of the number of key employees is stated by the call).
- **Replacement of employees in key positions** – a key employee is an employee who guarantees the fulfilment of a project activity/stage within the implementation team. This employee must fulfil the specialization and qualification preconditions defined in the announced call.
  
- **Foreign business trips – increase of the item by more than 15% of the original volume.**
  
- **Transfer from the savings to be distributed item into another item in the budget (with the exception of savings above 10%)** – re-distribution of savings up to 10% into any item of the budget must always be fully justified. The transfer of financial funds must fulfil the requirements of substantive eligibility, must be economic and must contribute to improve the project outputs.
  
- **Change in the time schedule for the implementation of the project concerning individual activities / stages, including data for the achievement of values of indicators** (this does not concern the extension of the overall period of the implementation of the project), the change is accompanied by the submission of the processed time schedule for implementation of the project.
  
- **Change to key outputs**, which fulfil individual indicators (appendix to the grant application / Report on project implementation).
  
- **Earlier submission of the Report on project implementation/Request for payment** – with the approval of the proposal by MA deadlines for the submission of the following Report on project implementation / Request for payment are revised.
  
- **Change in the time schedule with a significant technical construction change - technical part of the project** – change in the locality of the project or the increase or decrease of the utility area, for example:
  - change in the construction permit or a change in the construction before termination according to the provisions of Section 118 of the building regulations,
  - all other changes in the construction, in particular changes leading to a correction in the scope of the construction, worsening of the utility properties of the construction and the worsening of the parameters of the materials used;

- changes leading to exceeding the overall project budget for the construction part (see changes in the budget) or changes leading to exceeding the price in the contract for work by more than 20 %.

All the above-mentioned changes in the time schedule are accompanied by the submitted revised time schedule for the implementation of the project or the submission of the relevant part of the revised construction - technical documentation for the project.

**In the case of any doubt about the type of change, it is regarded that it concerns a significant change.**

### 7.2.2.3 Changes in the sustainability period

Similarly as in period for the implementation of the project, in the sustainability period (particularly in relation to the monitoring of the project in this period), the beneficiary may identify the requirement to deviate in the fulfilment of the obligations stated in the legal act. At this point it appears desirable to implement the corrective measures in the form of a significant or insignificant change in the project in the sustainability period, under the precondition of respecting the objectives and the purpose of the project. For these changes, similar rules are valid as for changes in the period for the implementation of the project.

**Insignificant changes in the sustainability period**, or changes of a formal character are not the subject for the prior consent of the provider of support.

During the implementation of these changes, the beneficiary proceeds in the same manner as in the case of an insignificant change in the period of implementation, see Chapter 7.2.1.

**An insignificant change in the sustainability period of the project is considered, for example, as a:**

- change in the contact data of the beneficiary - addresses, telephone numbers of the beneficiary (we recommend to immediately notify this);
- change in the name of the beneficiary (we recommend to immediately notify this); - change in the registered office of the beneficiary (we recommend to immediately notify this);
- change in the representative of the statutory body (we recommend to immediately notify this);
- change in the contact person for the project and the project manager (we recommend to immediately notify this);
- change in the person of the beneficiary, e.g. in the form of merger, division, etc., when the subject submits a legal succession, not in the case of expiration when a previously non participating subject would take the obligation (we recommend to immediately notify this);
- replacement of assets acquired from the support which the beneficiary / partner is obliged to keep for a certain period, in the case of damage, loss or theft;



- change in the partner contract of the beneficiary with the partner having the character of an insignificant change.

Insignificant changes are also considered to be all changes in the time schedule, number of events or number of participants in individual events, etc., when within one period of sustainability for which report on project sustainability is reported, there is the fulfilment of the commitment of the beneficiary related to this period. This concerns, for example:

- change in the time schedule of activities within the individual sustainability period for which report on project sustainability is reported;

- merger of similar events if the scope of the agenda and the number of participants remains the same;

- change in the site where the sustainability activities taking place for this change do not influence the accessibility for the target group or the manner of the performance.

### **Significant changes in the sustainability period**

In the case of the application for change, the same procedure is used as for the submission of the application for the approval of a significant change within the implementation, see Chapter 7.2.2.

#### **A significant sustainability change<sup>38</sup> is usually considered as:**

- change in the actual subjects with whom the beneficiary originally declared collaboration in the sustainability period;

- changes concerning monitoring indicators;

- changes in external circumstances where it is not possible to fulfil the original commitment (for example, during the development of new technologies, the beneficiary will not train using outdated technological procedures, but innovated procedures or in the case of a change of legislation where it will be necessary to modify the content and the manner of training, etc.);

- merger of events originally planned in various periods of sustainability; change in the partner person, replacement of a partner, cancellation of a partner<sup>39</sup>;

- change in the contract of the beneficiary with the partner having the character of a significant change.

In the case of any doubt about the type of change, it is considered that it concerns a significant change. Changes cannot be approved retroactively (i.e. change facts taking place before the submission of the application by the beneficiary). The exception is the approval of changes where the beneficiary could not influence the reason. The change will be effective from the day following the date of approval of the significant change.

#### **Changes that cannot be made:**

- change in the ownership of assets (equipment, investments), which were acquired from the project funds if the obligation to keep the acquired equipment results from the terms for the grant award - must remain under the ownership of the beneficiary<sup>40</sup>;

<sup>38</sup> Changes leading to the modification of the manner of ensuring the sustainability mentioned in the grant application.

<sup>39</sup> In the case of cancellation of a partner, their commitments must be taken over by another partner or the beneficiary.

<sup>40</sup> It is possible to accept the change in ownership between the beneficiary and the financial partners if the terms for the provision of state aid or support de minimis are not breached.

- changes which principally change the commitment to sustainability (e.g. the beneficiary wants to replace the commitment of the organization at one conference with the issue of publication or the establishment of collaboration with another subject, etc.);
- changes in the commitment proposed by the evaluating / selection committee on the basis of the evaluation of the project;
- change in the purpose of the project.
- termination or correction of the sustainability period.

MA OP RDE recommends the beneficiaries of the support that the character<sup>41</sup> and the content of changes are consulted with the granting authority in advance.

## 7.3 Project termination and sustainability

### 7.3.1 Time framework for termination of projects

All types of projects must be terminated by the beneficiary within the deadline mentioned in the legal act on grant award / transfer, however, No. later than 31. 12. 2023. Due to ensuring sufficient time for the termination of all project activities, for the preparation of the final report of the programme and the respective documentation to close the whole programming period on the part of the support, the MA OP RDE recommends that the project is terminated by the beneficiary **No. later than 30. 6. 2023, unless stated in the announced call otherwise.**

The implementation of the project supported from the OP RDE may be terminated earlier compared with the deadline mentioned in the legal act on grant award / transfer (hereinafter referred to as “early” or “previous”). The previous termination of the project is always considered as significant change in the project. The beneficiary informs the granting authority through IS KP14+ of the intention to terminate the project early and submits the application for significant change. After approval of the significant change, the applicant submits the final **report on project implementation** (see Chapter 7.1.3), No. later than 40 business days from the termination (physical) of the implementation of the project.

### 7.3.2 Formal technical termination of the project

beneficiaries must ensure the termination of the project from a formal / technical viewpoint, i.e. to prepare and treat all documentation related to the fulfilment of the project to store it for the demands of the European commission, European Court of Auditors and other bodies with the right to view / inspect. All assets acquired from funds of the OP RDE must be marked by the beneficiary, for example, with the inventory number to enable easy identification during the binding period (the binding period is stated, for example, as the period of sustainability of activities and outputs, the period stated for the non-transfer of assets in the legal act on grant award / transfer, partner contract, etc.).

<sup>41</sup> Considered significant / insignificant change in the period of sustainability.

**The OP RDE beneficiary is recommended:**

- 1) to inspect the record keeping of the documents, which ensures their explanatory power is complied with throughout the whole period (marking of documents, durability of carriers, in particular printing, etc.);
- 2) if due to legal procedures it is not possible to include the originals into the documentation (e.g. wage reports), it is necessary to attach a written notification to the documentation where it is possible to search and verify these documents ("audit trail");
- 3) to inspect the separate accounting of project income and expenditure and accordance with the paid Request for payment and the list of accounting documents and reported income, to store the extract from the separate accounting records;
- 4) to make, before the termination of the project, an inventory of assets acquired from project funds and to assign the list of assets to the retained documentation while adhering to the following instructions:
  - the beneficiary will prepare an inventory list in the format which is used in standard cases for the inventory of assets; in the header in the right upper corner of the prepared list will be the registration number of the project and its shortened name;
  - the acquired, recorded assets must be marked with the inventory number to be able to identify in the case of inspection; in the list there will be the location within the respective organization (beneficiary / partner);
  - in the case that the acquired assets were divided between several partners or will be handed over to the partners, these facts must be documented / recorded in writing, including instructing the transferee of the binding period for the holding assets and their identification, including the obligation to report to the granting authority any changes in the balance of assets (e.g. destruction, theft) and changes to their location;
  - the beneficiary will mark the asset cards during the binding period of assets holding to prevent cancellation or sale;

- 5) to prepare for retention all materials and documents that were produced during the publicity and promotion of the project (e.g. leaflets, publications, CD and other items);
- 6) to verify that all insignificant changes in the project were notified in writing in reports on the implementation of projects; in the case of omission, it is necessary to mention these facts in the final **report on project implementation**;
- 7) in relation to the obligation to implement corrective measures imposed by authorized subjects on the basis of inspections and the recommendation of completed audits, to verify the completeness of documents related to the fulfilment of measures (records/memos) and to assign them to the retained documentation;
- 8) to assign to the retained documentation any correspondence with all subjects which is relevant for any inspection of the terminated project, in particular with the Managing Authority, Payment and certification body, Audit body, EU commission, European Court of Auditors, European Office for the Prevention of Fraud (OLAF), Ministry of Finance and Financial Administration, the Supreme Audit Office, independent audit bodies, or any other bodies with the authority for inspection (MoRD-NCA, Office for the Protection of Competition, etc.);
- 9) during the sustainability period, to keep the project outputs in a suitable manner;
- 10) that staff ensure the sustainability of the project, especially the submission of report on project sustainability, if sustainability is determined.

**The beneficiaries must ensure No. later than up to the submission of Final report on project implementation:**

- correct use of personal data if it is the subject of retained documents according to the act on the protection of personal data;
  - verification of the fulfilment of the notification obligation towards the Office for the Protection of Personal Data, if it is relevant for the project;
  - originals of documents designated to be retained; the list of basic materials designated for the retention is in Chapter 7.4.2;
  - conduct an audit of the project if this obligation is imposed -
- settlement of advances to the supplier;
- calculation of the level of indirect costs of the project in relation to the total eligible expenditure of the project (according to the requirement from the last list of expenditure) and their inclusion in the final Request for payment;
  - settlement of funds transferred into cash so as to be able to make any return of funds;
  - keeping the user name and the password for entrance into the IS KP14+ (for the option to submit report on project sustainability through IS KP14+), if sustainability is stated;
  - for projects applying indirect costs, checking the actual level of use of indirect costs to prevent an overdraft.

### 7.3.3 Termination of the project from the viewpoint of monitoring and financing

After the termination of the physical implementation of the project, the beneficiary is to submit to the granting authority:

#### 1) Final report on project implementation including project outputs

The beneficiary submits the project outputs during the implementation of the project and submits them to the Report on project implementation; the submission is No. later than with Final report on project implementation unless the call or related documentation does not specify otherwise. Products created during implementation of the project according to the grant application are submitted in electronic form and ensures unlimited licence rights (through the licence agreement) for the granting authority to use these products and to distribute further. This commitment does not apply to project outputs in the area of research and development (R&D) and outputs, which due to reasons independent of the beneficiary, it is not possible to transfer unrestricted licence rights to the granting authority (e.g. articles in scientific magazines where an exclusive contract must be concluded with the publisher, i.e. outputs which are the subject to "transfer of copyright agreement"<sup>42</sup>, products created in the compatible support or support de minimis regimes and other outputs where free distribution is restricted by the protection of intellectual property, security rules or justified business interests).

The procedure for the administration of Final report on project implementation is in Chapter 7.1.3.

#### 2) Final Request for payment

The Final Request for payment may include:

- all expenditure proven in the last monitoring period - currently undocumented expenditures for the previous monitoring period;
- any further eligible expenditures that can be applied in accordance with the terms and rules of eligibility.

Eligible project expenditures that are not included later than to the final Request for payment cannot be paid by the MA OP RDE.

Recommendation of the MA: Before the submission of the final Request for payment it is recommended that the beneficiary check all paid Request for payment and the accordance with paid expenditures and provided advances. Before the submission of the final Request for payment, all advances between the supplier and the beneficiary must be settled.

**In the case of ex-ante financing** within the inspection of the financial correctness of the final Request for payment MA OP RDE, the beneficiary states the difference between the received funds and the approved eligible expenditures of the project from all Request for payment, including the final costs, i.e. the beneficiary states the possible level of additional payment for

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<sup>42</sup> Copyright Transfer Agreement is an agreement concluded between the author of professional article and the publisher of the scientific magazine in which the article is to be published when the subject of the agreement is the transfer of copyright to the publisher, which means that the author waives, for example, the possibility of reproduction or distribution of their work, otherwise the article will not be published, therefore, the beneficiary is not able to transfer the rights to the article to the granting authority.

support on the part of the granting authority or the level of return. In the case of calculation of the return MA OP

RDE to the beneficiary through IS KP14+ call for return of unused funds from the grant. The beneficiary is to return the funds within 30 business days from the approval of the final project Report on project implementation / Final report on project implementation or within the deadline according to Regulation No. 367/2015 Coll., according to whichever happens earlier. **The beneficiary is to inform the granting authority of the return by sending information in the form of an internal dispatch (advice).**

**The content of the advice on the return is the:**

- registration number of the project (mentioned as variable symbol),
- name of the project,
- identification of the beneficiary,
- amount returned and its classification into investments and non-investments, the bank account to which the return amount will be sent if it is not mentioned in the legal act on grant award / transfer.

If the beneficiary does not fulfil the deadline for returning unused funds to the account of the provider of support, the MA OP RDE will request return of the unused funds from the grant. If after re-calling, the beneficiary does not keep to the deadline for return of used funds, this may concern unauthorized holding of financial funds and breach of discipline according to the Budgetary Rules. The MA OP RDE similarly proceeds in the case that the amount of the returned unused funds is lower than the amount which was requested from the beneficiary.

**In the case of ex-post financing** then after the submission of the final report, the MA OP RDE conducts the Request for payment inspection of the financial correctness of the submitted expenditures and states the level of additional payments owed by the provider of support.

**In the case of combined payments**, then after the submission of the final report, MA OP RDE conducts the Request for payment inspection of all accounting documents and states the level of additional payment owed by the granting authority.

**During the termination of the project, the beneficiary will chronologically:**

- a) calculate the actual level of indirect expenditure;**
- b) refund all eligible project expenditures** made from all funds up to the level of provided advances;
- c) retain the bank account after the termination of the project** – the beneficiary must not close the bank account before making the financial settlement (i.e. all payments made related to the project, including payment of the last Request for payment, or transferring funds.

Rules for retaining the bank account also apply after the termination of the project within the same scope to the partner of the project with a financial contribution.

If the beneficiary must submit according to Regulation No. 367/2015 Coll., the financial settlement of the aid, the beneficiary will make the settlement by the 31st of December of the year in which

the project was terminated. The ultimate deadline for the submission of source materials on the part of the beneficiary and the returning of funds to the account for other funds (financial settlement) is stated by the regulation for **15. 2. of the year following the year in which the project was terminated according to the following definition.**

For the purpose of financial settlement with the national budget, **termination of the project** means:

- either the time of the expiration of the deadline for the submission of the application for investigation after the receipt of the approved final Report on project implementation of the project/Request for payment,
- the time of the receipt of the standpoint to the submitted application for investigation
- or the time of the receipt of the additional payment.

During the financial settlement, the beneficiary:

- is to submit the printed financial settlement form (the printed form is used according to the type of the beneficiary), which is the appendix to Regulation No. 367/2015 Sb. This form is submitted to the granting authority in summary for all grants received from MEYS for projects, which in the stated year, are the subject of the financial settlement;
- returns the financial funds back to the granting authority.

Projects co-financed from EU budget funds to which funds were provided at the level of the already paid expenditures (i.e. ex-post financing), are considered as financially settled.

### **7.3.4 Non achievement of the purpose of the grant at the termination of the project**

Beneficiaries whose project, by the end of the termination of the implementation, does not achieve the minimum values of the indicators stated in the legal act on grant award / transfer and/or do not fulfil the purpose for whose achievement the grant was awarded, then No. legal title for any part of the grant will originate.<sup>43</sup>

The granting authority, on the basis of the project Final report on project implementation, decreases all expenditures submitted in the final Request for payment and calls on the beneficiary, on the basis of the provisions of Section 14f par. 3 of the Budgetary Rules, to return currently provided funds to the bank account of the granting authority within the stated deadline. It is valid that for such funds returned by the beneficiary that there was No. breach of discipline and the granting authority, on the basis of Section 14f par. 7 of the Budgetary Rules, only informs the respective body of the financial administration of the issue of the call to return the grant and how the call was responded to.

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<sup>43</sup> The granting authority evaluates the fulfilment of indicators and the achievement of the purpose of the grant also with respect to the quality of the submitted outputs of the project. The granting authority reserves the right, on the basis of expert evaluation, to mark individual outputs as unacceptable.

### **7.3.5 Early / non-standard termination of the project**

#### **1) Cancellation of the implementation of the project on the part of the applicant before the issue of the legal act on grant award / transfer**

The applicant requests the cancellation of the implementation of the project, due to the non-acceptance of the terms of the legal act on grant award / transfer through the IS KP14+, function, to withdraw the application and by consequent completion and sending of the pre-defined printed form<sup>44</sup>.

The granting authority does not issue the legal act on grant award / transfer and consequently notifies the applicant of the acceptance of the application for the cancellation from the implementation of the project.

#### **2) Early termination of the implementation of the project with the issued legal act grant award / transfer on the basis of application of the beneficiary**

Change of data for termination of (physical) implementation of the project is always a significant change. The beneficiary will submit the application for the significant change of the project for early termination of the project with the indication of the reason(s). If the granting authority accepts the application, the provider issues an amendment to the legal act

- on grant award / transfer stating the new deadline (date) for the termination of the (physical) implementation of the project.

As a principle, early termination is enabled in cases where the beneficiary, even for the early termination of the physical implementation of the project, achieves the planned outputs and results.

**Early termination of the physical implementation of the project** in cases where the project does not achieve the planned outputs and results is only enabled in extraordinary cases due to serious reasons.

If the granting authority does not accept the application for early termination of the implementation of the project and the beneficiary does not want / cannot implement the project, then after the fulfilment of the terms mentioned in the provision of Section 15 of the act on Budgetary Rules, then proceedings on the withdrawal of the grant are initiated. At the same time, the granting authority calls on the beneficiary in writing to stop the financing of the project.

The initiation of the proceedings on the withdrawal of the grant can occur in cases where the beneficiary notifies that they no longer wish to implement the project after the issue of the support through the legal act on grant award / transfer if they did not receive any funds for implementation of the project or received the funds but did not use them.

#### **Proceedings for withdrawal of the grant**

In cases where the grant is provided on the basis of Budgetary Rules and under the terms stated in the provisions of Section 15 of the act on Budgetary Rules, the proceedings on the withdrawal of the grant can be initiated. The granting authority initiates the proceedings on the withdrawal of

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<sup>44</sup> Or through the electronic data box.



grant ex officio or at the request of the beneficiary. Its result will be the issue of the administrative decision by which the grant will be withdrawn. The decision will contain the date by which the beneficiary must return the received funds and identify the account to which these funds are to be transferred. These proceedings are the subject of General Regulations on administrative proceedings; therefore, it is possible to submit an appeal against the decision of the granting authority upon the withdrawal of grant<sup>45</sup>. It is possible to withdraw the grant

if the budgetary discipline was not breached due to the non-fulfilment of the purpose of the grant.<sup>46</sup>

### **Acceptance of the application for early termination of the project**

On the basis of the application, the granting authority states in the amendment to the legal act on grant award / transfer, states the new date of termination (of the physical) implementation of the project. Depending on the circumstances of the termination of the project, the financing of the project can be stopped or the amount of the grant reduced.

In the case where at least formally, the physical implementation of the project was initiated, the beneficiary is bound to submit the Report on project implementation for the period in which the beneficiary uses the funds of the granting authority (the new date of the end of the physical implementation will be stated change/amendment to the legal act on grant award /transfer), if the beneficiary is not released from this obligation in the legal act on grant award / transfer or its amendment. At the same time as with the Report on project implementation, the beneficiary must submit the account statement from which it is evident that they used the grant (also applies to fees for account maintenance). The beneficiary makes the financial settlement according to Regulation No. 367/2015 Coll., see Chapter 7.3.3.

### **3) The cancellation of the legal act on grant award / transfer on the part of the granting authority**

If the grant was issued in the form of a Grant Award Decision, there is only the possibility of the granting authority to withdraw this grant according to the provision of Section 15 par. 1 of the Budgetary Rules. It is not possible for the granting authority to terminate the project.

### **4) Non-standard termination of the project implemented in the regime for simplified reporting forms (hereinafter referred to as “SRF”)**

Within a non-standard termination of the SRF project, it is crucial that the purpose of grant was fulfilled and the purpose is defined in the grant application / legal act on grant award / transfer.

According to the criterion for the fulfilment of the purpose of the grant, non-standard terminated projects can be divided into two groups.

a) Projects which fulfilled the purpose of the grant mentioned in the grant application / legal act on grant award / transfer although not all output activities of the project were achieved.

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<sup>45</sup> See Act No. 500/2004 Coll., Code of Administrative Procedure.

<sup>46</sup> Breaching budgetary discipline due to another reason than the reason for non-fulfilment of the purpose for grant does not pose an obstacle to the withdrawal of the grant and is resolved through the financial administration body.

- Termination within the regular deadline - after the approval of final Report on project implementation, the beneficiary is called on to return the unused part of the advance on the account of the provider of support.

- Early termination or cancellation of the beneficiary - if it concerns

termination on the part of the beneficiary, they must submit the application for a significant change in the project for early termination of the project indicating the reasons. If the beneficiary is to be cancelled, in accordance with the provisions of Section 14a – Section 14d of the Budgetary Rules to apply for the transfer of rights and obligations from the Grant Award Decision to the legal successor. If the beneficiary is not an organisation that can transfer rights and obligations from the Grant Award Decision to the legal successor, there is the early termination of the (physical) implementation of the project. The granting authority, after agreement with the submitter of the application for a significant change, states in the amendment to the legal act

- on grant award / transfer, a new date for the termination of the (physical) implementation of the project to which the beneficiary / legal successor is bound by the terms of the legal act
- on grant award / transfer, if they are not released from the obligation in the legal act on grant award / transfer or the amendment to it. After the approval of final report
- on the implementation, the beneficiary / legal successor is called on to return the unused part of the advance to the account of the granting authority.

a) Projects that did not fulfil the purpose of the grant mentioned in the grant application / legal act on grant award / transfer.

- Termination within the regular deadline - provision of support for the approval of the final report

implementation, calls on the beneficiary on the basis of the provision of Section 14f par. 3 of the Budgetary Rules, to return the currently provided funds to the bank account of the granting authority within the stated deadline. For such funds returned by the beneficiary, it applies that there was No. breaching of the budgetary discipline and the granting authority, on the basis of the provision of Section 14f par. 7 of the Budgetary Rules only informs the respective Financial Administration of the issue of the call to return the grant and how the call was responded to.

- Early termination or cancellation of the beneficiary - if it concerns

- termination on the part of the beneficiary, they must submit the application for a significant change in the project for early termination of the project indicating the reasons. If the beneficiary is to be cancelled, in accordance with the provisions of of Section 14a– Section 14d of the act on Budgetary Rules, to request
- the transfer of rights and obligations from the Grant Award Decision to the legal successor. If the beneficiary is not an organisation that can transfer rights and obligations from the Grant Award Decision to the legal successor, there is the early termination of the (physical) implementation of the project. The granting authority, on the basis of the application for the significant change, starts proceedings on the withdrawal of the grant with the suspicion that the purpose of the grant will not be fulfilled properly and in time. In the case that the termination of the project is to be on the initiation of the granting authority /e.g. as a result of onsite inspection), the granting authority starts proceedings on the withdrawal of the licence in the case that the date of termination of the (physical) implementation of the

project did not happen. The proceedings on the withdrawal of the grant can only be made within the stated period for the implementation of the project (it cannot be made after the stated date of the termination of the (physical) implementation of the project).

## **5) Early termination of projects implemented on the basis of NM Measure (technical assistance of the Managing Authority)**

If the beneficiary ascertains that it is not possible to achieve the purpose of the grant defined in the DM Measure and, at the same time, there was No. settlement of expenditures in the request for payment, the beneficiary will submit the proposal for early termination of the physical implementation of the project in the application form for a significant change in the project.

In the case of the approval of the application, the provider makes an amendment / change to the NM Measure in which they state the date of termination of the project activities and specify the new obligations of the beneficiary related to the termination of project activities and the return of the financial funds to the granting authority. The beneficiary does not have the right for payment of the project costs.

For funds that the beneficiary used but did not include in the Request for payment, the beneficiary resolves as a suspicion of breach of discipline with the submission of the initiation to the financial administration body.

If there was the payment of costs and settlement in the Request for payment, the granting authority marks the funds settled in the Request for payment as suspected of breaching budgetary discipline and sends the submitted case to the financial administration body.

The granting authority accepts the application by the beneficiary for early termination of the physical implementation of the project and states in the amendment to the NM Measure the obligations of the beneficiary during the use of funds which that were not indicated as a breach of budgetary discipline, in particular, the deadline for returning financial funds.

If the implementing subject is state organization unit, on the basis of the provision of Section 26 par. 3 of the Budgetary Rules, MA OP RDE will proceed similarly according to the provisions of Section 14f of the act on Budgetary Rules. This means that the granting authority calls on the beneficiary to return the currently provided or transferred funds. The provided funds are returned by the budgetary measure if they are to be returned into national budget; in other cases, the organisation unit of the state whose budget was decreased, receives them into the other funds account. For those funds returned by the beneficiary, it is valid that there was No. breaching of the budgetary discipline and MA OP RDE, on the basis of the provision of Section 14f par. 7 of the Budgetary Rules only informs the respective Financial Administration of the issue of the call to return the grant and how the call was responded to.

### **7.3.6 Sustainability of the project**

Fulfilment of conditions during the project sustainability come from the Art. 71 of the General Regulation.

For projects that are the subject of the obligation to retain investment into the infrastructure or productive investment<sup>47</sup>, the beneficiary must prevent the termination of the project in the stated

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<sup>47</sup> see Article 3 of the Directive on ERDF.

period (last payments to the beneficiary) or relocation of the manufacturing activity outside the programme area, a change in the ownership of the infrastructure item and any significant change that negatively influences the nature and objectives of the project. In the case of non-fulfilment of sustainability, the beneficiary will be called on by the granting authority to return the whole or part of the grant.

The transfer of assets to another subject in the sustainability time is possible; however, the original purpose during the acquisition must be retained and all terms during the provision of support must be kept. The subject purchasing the assets must not obtain undue benefit from their ownership. In this case, the beneficiary must return part of the grant at the level of the acquisition price of the assets (in accordance with Article 71 of EC Directive No. 1303/2013, par. 1).

**In the case of support, which includes investment into the infrastructure or productive investment,** the beneficiary must return the contribution from OP RDE if within 10 years from the last payment to the beneficiary, the manufacturing activity is relocated outside the territory of the EU with the exception of cases where the beneficiary is a small or medium sized enterprise (SME). If the contribution from European Structural and Investment Fund (ESIF) has the form of state aid, the period of 10 years is replaced by a period valid according to the rules for the provision of state aid (for example, if the support is provided according to the Directive on Block exemptions No. 651/2014, the sustainability period is stated in a different manner in accordance with the terms of relevant block exemption).

MA OP RDE reserves the right to state according to the specification of calls and their orientation, the condition of sustainability for projects for which this obligation does not result from the above-mentioned directive but are key by their focus and desire for sustainability. In the case of the use of this option, the condition of sustainability will be stated in the call (or documentation related to the call). The specific terms of sustainability can be found in the respective legal act on grant award / transfer.

Indicators and further obligations that the beneficiary must fulfil during the sustainability period of the project are defined in the terms of the legal act on grant award / transfer.

Detailed information about the types of reports submitted in the period of sustainability is in Chapters 7.1.5 and 7.1.6.

The beneficiary submits regular and final reports during the period defined in the legal act on grant award / transfer.

In the case of a project generating income according to Article 61 of the general directive with the last report on sustainability (or with the closing of the programme – whichever occurs earlier), the beneficiary documents the recalculation of the financial gap and the Managing Authority administers any return of income.

As part of the inspection / verification in the sustainability period, the MA OP RDE conducts inspections of the durability of operations.

## **7.4 Retention of documents**

### **7.4.1 General rules for retention of documents and amendments related to the project**

Retention of documents and files related to OP RDE is governed by the action archiving and file service, the provisions of the General Regulation, in particular Article 140 of the Commission Regulation in the transferred authority (EU) No. 480/2014, stating the detailed minimum requirements for the audit trail concerning the accounting records that are to be stored and the source materials to be stored at the level of the certification body, Managing Authority, mediating subjects and beneficiaries of the support and the Implementing Regulation of the Commission (EU) No. 821/2014 of 28 July 2014, laying down the rules for the application of Regulation (EU) No. 1303/2013 of the European Parliament and the council concerning detailed negotiations for the transfer and administration of contributions from the programme and submission of reports on financial tools, technical properties of information and communication measures for operations and the system for recording and retention of data.

#### **7.4.2 List of documents and project outputs that are the subject of retention**

List of documents that must be stored<sup>48</sup>:

- documents submitted to the grant application (a detailed summary is mentioned in the call, see Chapter 5.1);
- documents submitted to the legal act on grant award / transfer (for a detailed summary, see Chapter 6.4);
- documents proving the promise and approval of the support (including annexes and any amendments) - registration sheet, legal act on grant award / transfer;
- documents for the procurement procedure proceedings - documentation on orders and records on electronic actions related to the implementation of orders;
- documents proving the purpose for the use of the provided financial funds - e.g. Request for payment, accounting records, invoices, bank statements;
- documents for monitoring reports of the project (detailed summary, see Chapter 7.1);
- documents related to conducting inspections by the Managing Authority and further bodies;
- complete correspondence, which the beneficiary received on the part of the Managing Authority and the implementation body and sent to those bodies;
- further source materials related to the project and its implementation that document the course of the administration of the project for the final fulfilment of the indicators of the outputs of the operation, achieved values of indicators and the minimum required sustainability time of the project – e.g. photos, records of work, hand over protocols for constructions and delivered assets, etc.

#### **7.4.3 Rules for the retention of documents**

**The beneficiary must store the documents related to the implementation of the project.**

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<sup>48</sup> At individual levels of the implementation structure, it is not possible to state the list of documents designated for retention either due to the reason of different terminology at individual levels of the implementation structure, and the impracticality of stating an exhaustive list.

For documents that exist as the original in the IS KP14+ (or MS2014+), the beneficiary (or the partner) is not obliged to ensure retention of the originals in a different place from IS KP14+ (or MS2014+). If there is only scan of the document in this information system, the retention of the original (or verified copy) must be ensured by the beneficiary or the partner.

In relation to the demand to ensure proper function of the system for recording and keeping accounting records, the deadline is stated for each activity during which the original documents must be available to the control bodies by **31. 12. 2032<sup>49</sup>**, **unless stated by legislation for some types of documents otherwise.**

## **8. CHAPTER - PROCESSES AND RULES FOR FINANCIAL MANAGEMENT**

### **8.1 Project financing**

The financing of the project is performed in ex-ante or ex-post method and in specific cases in combined method. The method of the financing will be stated according to the legal form of the beneficiary and will be defined in the concrete call.

#### **8.1.1. Ex-post financing**

In the case of ex-post financing, eligible expenditure are paid retroactively to beneficiaries spent for the implementation of the project. For these projects the beneficiary pays expenditure for the implementation of the project from own sources and during the implementation of the project the beneficiary submits with the legal act on grant award / transfer to MA OP RDE the request for payment in which he asks for their payment retroactively. OP RDE is financed ex-ante, the use of ex-post financing is in the base of payments of contributory organisations of the state and of territorial self-governing units, state organisations, see Chapter 8.1.4.

#### **8.1.2. Ex-ante financing**

For ex-ante financing, during the implementation of the project, the beneficiary is provided with payment for pre-financing on the basis of a request for payment. The purpose of the spent funds is retroactively documented by the beneficiary in the form of source materials for settlement, which are part of each following request for payment.

The percentage level of the first advance payment is stated in the text of the call. The legal act on grant award / transfer states the absolute amount and the deadline by which the provider pays the first advance payment.

Further advance payments are provided for the beneficiary on the basis of submitted requests for payment. The level depends on the expected demand of the beneficiary resulting from the

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<sup>49</sup> The deadline was set with respect of the Article No. 140 of the General Directive, which states that the deadline during which the original documents must be available for the Commission and the European Court of Auditors in accordance with Article 140 of the General Directive is two years from the submission of the financial statement of OP RDE, containing the final expenditure for the terminated activity.

financial plan of the project. The total sum of advances provided beyond the framework of the approved settlement must not exceed 50% of the total eligible expenditure of the project.

### 8.1.3. Combined payment financing

In the case of combined payments, the beneficiary submits to MA OP RDE the request for payment<sup>50</sup>, which may include already paid or unpaid documents. In the case of paid documents, the account statements are submitted. Requests for payments are submitted within the deadlines stated in the respective legal act on grant award / transfer.

The following terms are valid for the implementation of combined payments and the submission of requests for payment:

- **unpaid documents** are submitted by the beneficiary monthly as a rule. MA OP RDE inspects the submitted accounting documents. After the approval of Request for payment, financial funds corresponding to the approved amount of eligible expenditure are transferred to the account of the beneficiary within 10 business days. The beneficiary must make payment of the above-mentioned documents to their suppliers No. later than within 10 business days from the date of receipt of the payment;

- **request for payment** is submitted according to the time schedule mentioned in the legal act on grant award / transfer and include all documents, and those documents that were evaluated in the previous point and whose payment on the part of MA OP RDE and the proving of the payment by the beneficiary were made No. later than by the date of processing of the request for payment.

### 8.1.4. Conduct of payments to state organisation units and contributory organisations of the state and of territorial self-governing units, state organisations

Payments between MA OP RDE and the beneficiary, which is a state organization unit and a contributory organisation of state organisation unit, are considered ex-post payments and are recorded on the respective printed forms and in the IS KP14+<sup>51</sup>. The reason is the fact that state organization unit (contributory organisation of state organisation unit receives funds for financing of the project in the form of a grant from its founder, i.e. state organisation unit, or funds from its own activity) finance their projects from their budgetary funds approved in the stated budget for the stated year. Consequently, funds are released for these sources for financing projects. Applied expenditure is reported by the beneficiary to MA OP RDE, which consequently checks submitted documentation of the applied expenditure.

The indication of the ex-post cash flow is only used from the viewpoint of European reporting and is not relevant from the viewpoint of the diction of Budgetary Rules with the interpretation of the term of unauthorized use of financial funds or breaching of the budgetary discipline.

### The applicant / beneficiary is contributory organisation of state organization unit

<sup>50</sup> Requests for payment in the case of combined payments are recorded on printed forms for ex-post financing.

<sup>51</sup> This concerns ex-post payment from the viewpoint of reporting on printed forms; however, it need not always concern typical ex-post payments in all related aspects.

State organization unit finances the project from its budgetary funds approved in the national budget (SR) for the stated year.

During the preparation of the national budget, state organisation unit must consider income and expenditure for the stated project in the respective chapter of the national budget. If income and expenditure for the stated project were not considered in the approved state organization unit budget in the role of the beneficiary, but are considered in the MA OP RDE budget, the budgetary measure is implemented and MA OP RDE increases the income and expenditure of the state organization unit in the role of the beneficiary while at the same time the income and expenditure of the MA OP RDE are decreased. In the case than income and expenditure for the stated project were not considered in the budget of the MA OP RDE, then state organization unit acting in the role of the beneficiary, may request in accordance with the respective provision, a correlative increase in income and expenditure. A correlative increase of income and expenditure can only be claimed after,

funds were ensured in the state organization unit budget for national co-financing of the project. State organization unit consequently releases funds from these sources for financing the project.

### **Applicant / beneficiary is contributory organisation of state organisation unit**

The state organization unit finances the project from its budgetary funds approved in the national budget (SR) for the stated year.

In the following cases, payments between MA and the beneficiary, which is contributory organisation of state organisation unit need not be reported as ex-post:

1. if MA OP RDE (or MEYS) is the founder of contributory organisation of the state, state organisation and the contributory organisation receives funds for the financing of the project in the form of grant for the payment of expenditure, which are or are to be, covered by funds from the EU budget,
2. if MA OP RDE (or MEYES) is not, at the same time, the founder of state-funded institution, state organization unit and the stated state-funded institution state organization unit receives the funds for the financing of the project directly from MA on the basis of the provisions of a special act.

In the case that the beneficiary is contributory organisation of state organisation unit its founder (i.e. state organization unit) during the preparation of the stated budget, must take into consideration the income and expenditure for the project's state-funded institution in the respective chapter of the national budget<sup>52</sup>. For this reason, it is important that state-funded institution, state organization unit informs he founder about the intention to submit a project co-financed from funds from the EU budget, about the approval of the project and the level of funds (in total in individual years) a sufficient time in advance so that the founder can ensure the necessary budgetary funds. The beneficiary which is contributory organisation of state organisation unit documents the positive standpoint of the founder with the grant application. Similarly MA, which is not the founder of the stated state-funded institution state organization unit and provides state-funded institution state organization unit with funds for the financing of the project on the basis of the provisions of a special act, during the preparation of the national budget, must take into consideration the income and expenditure for the project of the stated

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<sup>52</sup> with the exception of point 2 above.



contributory organisations of the state and of territorial self-governing units, state organisations in the respective chapter of the national budget.

If the income and expenditure for the stated project were not considered in the approved budget of state organization unit in the role of beneficiary, but are considered in the budget of MA OP RDE, budgetary measures must be taken to increase the income and expenditure of the state organization unit in the role of the founder and, at the same time, the income and revenues of MA OP RDE must be reduced. In the case than income and expenditure for the stated project were not considered in the budget of the MA OP RDE, the state organization unit in the role of the beneficiary may request in accordance with the respective provision for a correlative increase in income and expenditure. It is possible to request a correlative increase in income and expenditure after ensuring funds in the state organization unit budget in the role of the founder or MA OP RDE for national co-financing of the project. Contributory organisation state organization unit consequently releases funds for financing the project from these sources. The beneficiary submits requests for MA OP RDE payment within the deadlines stated in the legal act on grant award / transfer.

#### 8.1.5. Co-financing in OP RDE projects

OP RDE is ranked among multi-category programmes covering two programme areas: - less developed regions and more developed regions.

**The programme area means in the case of a programme related to more than one category in the region, the geographic area corresponding to the individual category of the region.**

The ratio of the allocation of financial funds between OP RDE programme areas is entered by the applicant into IS KP14+ in the grant application (within the category region, see Chapter Specification of the task in User Manual IS KP14+ – instructions for completing the grant application). **This ratio does not represent co-financing within the project from resources of EU, SR and resources of the applicant/beneficiary.** Possible variations of this ratio are always stated within the announced call. From the stated ratio between less and more developed, the monitoring system **calculates the allocation of sources between the EU, the national budget and the applicant's / beneficiary's resources. The binding level of co-financing is automatically completed in the monitoring system but this value in % of own co-financing may (in some cases must) be modified by the applicant /beneficiary;** however, this value must not be lower than set in the calls. During the determination of the level of own co-financing, the applicant may also proceed according to the user manual of IS KP14+ – Instruction for completing the printed form for the grant application.

The aid is provided in the form of non-returnable direct assistance (grant) up to the level of 100% of the total eligible expenditure of the project. The level of co-financing of OP RDE from ESIF (ERDF/ESF) achieves a maximum of 85 % and the remaining minimum 15 % will be paid from national sources, either directly from the sources of the national budget or from the beneficiary's own resources. The specific level of co-financing for projects differs according to the type of beneficiary, their activities and the category of the region. In addition, the level of co-financing will

depend on whether the supported activity is the subject of the regime of the state aid pursuant to Article 197 of the Treaty on the Functioning of the European Union.

**The level of co-financing required for the implementation of the project will always be declared in terms during the announcement of the specific call.**

Because the level of co-financing within OP RDE is reported in relation to the total eligible expenditure, for the consequent division of beneficiaries into individual categories for the stated rates of co-financing, it is decisive whether the character of their resources is considered public or private.

The co-financing rates shown below in Table No. 1 **are binding** pursuant to the determination of the maximum level of co-financing from the national budget and the minimum level of co-financing on the part of the beneficiaries. This table of the list of co-financing rates is derived from the material of the Ministry of Finance of the Czech Republic, Rules for co-financing of European structural and investment funds in the programming period 2014–2020; the whole wording is at: <http://www.mfcr.cz>

In the case of the use of the contribution for co-financing the project, the rules of eligibility, documentation and options of use are listed in Chapter 0.

In the case of the obligation of the applicant / beneficiary to co-finance the project from their own resources, the obligation to co-finance a binding minimum percentage of the total eligible expenditure of the project is not stated from each demanded expenditure within the submission of the settlement of the stated request for payment for one monitoring period but from the total amount of invoiced eligible expenditure within the stated request for payment.

The method of co-financing will be described by the applicant in the grant application.

**Table No. 1 – list of the level of co-financing in the programming period 2014-2020**

Type of beneficiary	Less developed regions - level of co-financing – ERDF				Less developed regions – ESF				Territory of the region of the capital city of Prague - level of co-financing to ERDF				Territory of the region of the capital city of Prague - level of co-financing to ESF			
	EU ratio %	National share %		Total %	EU ratio %	National ratio %		Total %	EU ratio %	National share %		Total %	EU ratio %	National share %		Total %
	ERDF	SR	Beneficiary		ESF	SR	Beneficiary		ERDF	SR	Beneficiary:		ESF	SR	Beneficiary	
State organisation units and contributory organisations of the state (also related to schools and school facilities established by Ministries according to paragraph 8 par. 2 to 4 of Act No. 561/2004 Coll., and state higher education institutions)	85	15	0	100	85	15	0	100	50	50	0	100	50	50	0	100
Corporate entities executing the activity of schools and school facilities (schools and school facilities that are registered in the school register)	85	max. 5	min. 10	100	85	max. 10	min. 5 <sup>53</sup>	100	50	max. 40	min. 10	100	50	max. 45	min. 5 <sup>54</sup>	100
Territorial self-governing units and their contributory organisations	85	max. 5	min. 10	100	85	max. 10	min. 5	100	50	max. 40	min. 10	100	50	max. 45	min. 5	100
<b>Type of beneficiary</b>	<b>EU ratio %</b>	<b>National share %</b>		<b>Total m%</b>	<b>EU ratio %</b>	<b>National ratio %</b>		<b>Total m%</b>	<b>EU ratio %</b>	<b>National share %</b>		<b>Total m%</b>	<b>EU ratio %</b>	<b>National share %</b>		<b>Total m%</b>

<sup>53</sup> MA may decide to reduce the level of co-financing of the applicant / beneficiary up to 0 %.

<sup>54</sup> MA may decide to reduce the level of co-financing of the applicant / beneficiary up to 0 %.

**Rules for applicants and beneficiaries**

Type of beneficiary	Less developed regions - level of co-financing – ERDF				Less developed regions – ESF				Territory of the region of the capital city of Prague - level of co-financing to ERDF				Territory of the region of the capital city of Prague - level of co-financing to ESF			
	EU ratio %	National share %		Total %	EU ratio %	National ratio %		Total %	EU ratio %	National share %		Total %	EU ratio %	National share %		Total %
	ERDF	SR	Beneficiary		ESF	SR	Beneficiary		ERDF	SR	Beneficiary:		ESF	SR	Beneficiary	
	EFFR	SR	Beneficiary	ESF	SR	Beneficiary	ERDF	SR	Beneficiary:	ESF	SR	Beneficiary				
Higher education institutions and research organizations	85	max. 10	min. 5	100	85	max. 10	min. 5	100	50	max. 45	min. 5	100	50	max. 45	min. 5	100
Civil law subjects conducting publicly beneficial activity whose main purpose is not the creation of profit <sup>55</sup>	85	10	5	100	85	10	5	100	50	45	5	100	50	45	5	100
Other subjects not contained in the above-mentioned categories <sup>56</sup>	85	0	min. 15	100	85	0	min. 15	100	50	0	min. 50	100	50	0	min. 50	100

<sup>55</sup> In the case of 1) support or protection of persons with a disability and disadvantaged people, 2) social services and activities of social classification, 3) activities in the area of education and 4) activities of social and economic partners in the area of social dialogue; the beneficiary will pay 0% of eligible expenditure. This category of applicants / beneficiaries also includes higher education institutions which are o. p. s.

<sup>56</sup> This category of applicants/beneficiaries also includes higher education institutions which are non-profit organisations (o.p.s.)

## 8.2 Accounting and reporting

beneficiaries must maintain bookkeeping or tax records in accordance with the legal regulations of Czech Republic.

The project must be maintained separately from the other activities of the organisation (for example, through analytical accounts with the use of an accounting centre, etc.). This only applies to actually incurred direct costs or contributions and depreciations, not expenditure booked using a simplified form of reporting. If ineligible expenditure are incurred, the beneficiary books them separately from eligible expenditure.

beneficiaries not maintaining accounting according to the accounting act, must, in the case of actually incurred costs reported using the full reporting cost method, must maintain tax records according to the income tax act expanded by the following requirements, which will be mentioned in the legal act on grant award / transfer.

### **These beneficiaries:**

- a) maintain separate records or the respective code for the income and expenditure related to the project;
- b) the respective document must fulfil the stated formal requirements of accounting document pursuant to the provisions of Section 11 of the accounting act (with the exception of letter f) for subjects that do not maintain accounting, but tax records;
- c) the mentioned documents must be correct, complete, conclusive, understandable and chronologically continuously maintained in a manner ensuring sustainability;
- d) during the inspection, the beneficiary provides the control body with the tax records in the full scope, upon request.

Separate book-keeping must be maintained No. later than from the date of the issue of the first act on grant award / transfer, otherwise the beneficiary takes the risk that spent costs cannot be checked and will be considered ineligible. When purchasing assets, the beneficiary is obliged when keeping records to ensure the marking that they are assets acquired from the specific project or projects.

## 8.3 Bank account

Before the issue of the legal act on grant award / transfer, the beneficiary is called to identify their bank account. The bank account may be opened at any bank authorized to act in the Czech Republic and must be maintained exclusively in CZK. Payment to the beneficiary may be only be made to the account specified in the legal act on grant award / transfer. Subjects listed in Section 3 letter h) of the Budgetary Rules having their account at Czech national bank (CNB), must only mention on grant award / transfer these accounts opened at CNB. The beneficiary must retain their bank account after termination of the project up to the time of final settlement, see Chapter 7.3.3.

The condition for support from OP RDE is not an independent account / sub-account for the stated project.

Non-cash expenditures for the project may be paid from any bank account of the beneficiary. When proving expenditures in the regime for full reporting of expenditure, the payment must be proven by a scan of the bank statement from which the payment was actually made. It must be evident from the statement that it concerns the bank account of the beneficiary.

## 8.4 Cash

The beneficiary and the partner are not obliged to maintain for the project any separate cash for cash expenditure and income (however, it is necessary to ensure analytical records when using the cash).

## 8.5 Value added tax

The value added tax (VAT) is generally as all taxes ineligible with the exception of cases where it is non-deductible according to domestic regulations. VAT is only eligible for beneficiaries who cannot apply for a VAT deduction on the input (according to the VAT Act).

Eligible value added tax applies only to the fulfilments which must be considered eligible. In the case that the fulfilment is only eligible from the aliquot part, then the value added tax related to this fulfilment is eligible from the same aliquot part.

Subjects which may claim a VAT deduction partially on the basis of the coefficient can use the advance coefficient (i.e. determination of the sum of eligible expenditure) when reporting in the request for payment. At the same time, within the first request for payment following the correct level of the settlement coefficient for the previous year in accordance with the act on VAT, the beneficiaries will settle the eligible part of the VAT on this basis of this settlement coefficient.

### **Settlement of VAT during the request for payment for subjects (beneficiary/partner), who may claim a deduction partially on the basis of the coefficient.**

During the year, the beneficiary will apply VAT into the eligible expenditure on the basis of the advance coefficient stated in the VAT declaration. For the payment of VAT there are several acceptable payment versions:

- a) VAT is paid from the operating account of the beneficiary**, which, at the same time, serves as the account for the project.

**b) The whole VAT is paid from another account of the beneficiary** (special VAT account, current account of the institution) and amounts are refunded in regularly monthly intervals to this account from the account corresponding to the eligible (aliquot) part of the VAT stated on the basis of the advance coefficient.

**c) The whole amount of VAT can be paid from the project account** provided that on the projects account the beneficiary has allocated their own funds from which part of the VAT is paid, which is ineligible on the basis of the advance coefficient.

At the beginning of the following year in the first request for payment after the submission of the declaration of VAT where the settlement coefficient is calculated, then on the basis of the settlement coefficient, the actual amount of VAT is calculated where there is No. claim for deduction, i.e. can be eligible.

If the settlement coefficient is lower than the advance, i.e. in the project the higher part of VAT can be applied, this fact is taken into consideration in the source materials for the settlement on the list of accounting documents where the settlement is increased by the difference.

If the settlement coefficient is higher than the advance, i.e. in the project the higher part of the VAT can be applied, then this fact is taken into consideration in the source materials for the settlement on the list of accounting documents where the settlement is reduced by the difference. The beneficiary must return this difference to the project account immediately after the approval of the relevant settlement on the part of MA OP RDE.

As the source material for the evaluation of the justification of the level of VAT applied during the year into eligible expenditure, the beneficiary submits the copy of the declaration of VAT stating the advance coefficient.

As the source material for the evaluation of the settlement of VAT for the stated year, the beneficiary submits at the beginning of the following year, the copy of the declaration of VAT where the settlement coefficient is calculated. At the same time, the beneficiary submits the report from accounting regarding whether the VAT was properly booked in the accounting and that within the eligible expenditure of the project, only the actual eligible VAT is booked.

The eligible VAT in relation to the calculated settlement coefficient is settled each calendar (accounting) year during the implementation of the project.

If due to a time reason it is not possible to settle the eligible VAT for the last year of the implementation of the project within the final request for payment, this settlement can be made within the financial settlement of the grant in accordance with Regulation No. 367/2015 Coll., laying down the principles and deadlines for the financial settlement of relations with the national budget, state financial assets or the

National Fund, however only in the case that the settlement coefficient is higher than the advance, i.e. that a higher amount of VAT was applied - the beneficiary takes this fact into consideration within the financial settlement. However, if the settlement coefficient is lower than the advance, i.e. that the higher part of the VAT can be applied in the project, it is not possible to claim this difference within the financial settlement.

- d) VAT is paid during the whole year from other sources of the beneficiary**, and is applied into the project on the basis of the settlement coefficient at the beginning of the following year.
- e) Only part of the VAT is paid from the project account, which is eligible on the basis of the advance coefficient**; the remaining part of the VAT is paid from another account of the institution. The settlement according to the settlement coefficient will be made at the beginning of the following year - similarly according to point c).

If the beneficiary uses the average coefficient for the calculation of the claim for a tax deduction, there is the settlement of the eligible part of the VAT according to the actual value of the coefficient, i.e. if the relative coefficient is calculated according to the actual use at the end of the year deviates from the relative coefficient estimated in advance by more than 10 percentage points.

**Settlement of VAT within the request for the payment of subjects (beneficiary / partner) with the fulfilment within the regime of the transferred tax obligation - services of construction and assembly work.**

In cases where the beneficiary (VAT payer), according to the provisions of Section 92 of the VAT act where the beneficiary must book the VAT in the transferred obligation regime, within one request for payment, it is possible to pay the eligible expenditure, including costs corresponding to the eligible part of the VAT, only under the condition that the fulfilment of tax obligation will be proven, i.e. the proper submission of the declaration of taxes and the payment of the beneficiary's own tax obligation.

As the source material for proving the fulfilment of the tax obligation or the excessive deduction, the beneficiary will submit to the Managing Authority the specific annex to the declaration of taxes (extract from recording for tax purposes maintained according to the provisions of Section 92 and par. 5 of the VAT act) containing data on the tax paid in the regime of the transferred tax obligation and the documentation the payment of the beneficiary's own tax obligation to the Financial Administration.

The beneficiary must prove the fulfilment of the tax obligation No. later than within the deadline for the termination of the inspection of the correctness of the settlement within which the eligible part of the VAT in the regime of the transferred tax obligation was claimed. No. later than within the same deadline, the beneficiary must refund/pay this eligible part of VAT from the funds of the granting authority.



## 8.6 Reporting of expenditure

### 8.6.1 Full reporting of expenditure

Within the full reporting of expenditure, there is the determination of the level of eligible expenditure on the basis of reporting that actual incurred and paid expenditure through its documentation by accounting, tax or other documents.

The formal requirements of the accounting document are in the provision of Section 11 of the act on accounting. The tax documents must fulfil the formal requirements stated by the VAT act.

Using accounting, tax or other documents, the beneficiary proves the eligibility from a contextual viewpoint, as well as from a time viewpoint and from the viewpoint of the adequacy related to the achieved outputs and results<sup>57</sup>.

#### Documentation of expenditure

The beneficiary settles implemented expenditure through the request for payment. The time schedule is stated in the legal act on grant award / transfer. Within the request for payment, the beneficiary classifies all their direct expenditures on the electronic list of expenditures.

#### Direct expenditure:

- for which the total amount reported as eligible is higher than CZK 10,000<sup>58</sup>, or  
in the case that the submission of the expenditure is expressly required by MA OP RDE, submission through scans:
  - accounting documents;
  - documents on payment;
  - and other supporting documentation specified within the description of the documentation for individual categories of eligible expenditure in the part 8.7.2;

<sup>57</sup> see Chapter 8.7 eligible expenditure.

<sup>58</sup> The limit also applies to wages expenditure, insurance premiums while other related expenditures are considered. The amount includes an eligible part of the VAT.

– those that do not fulfil the above-mentioned terms, the beneficiary classifies them into the electronic list of expenditures but does not document them by the above-mentioned scans.

General terms for the inclusion of expenditures into electronic list of expenditures are: – origination of the cost in the monitoring period or earlier;

– documentation that this expenditure was paid by the beneficiary (expenditure was incurred by them); the payment of expenditure need to be classified into the monitoring period (see general terms for time eligible expenditure)<sup>59</sup>, see Chapter 8.7.1.

Expenditures that are not documented in the above-mentioned method are always considered as ineligible expenditures.

The exception is expenditures that are classified under the regime of some simplified reporting of expenditure. The procedure during the simplified reporting is described in part 8.6.2.

### **Rules for specific types of accounting documents for the advance invoice**

Advance invoices for suppliers of goods or services in the project can be paid and applied in the request for payment only in the case that these expenditures meet the rules for eligibility, are issued in accordance with a valid contract (with the supplier of goods or services) and common business practice and will be settled No. later than by the end of the project. The settlement of advances between the supplier and the beneficiary will be made No. later than before the submission of the final request for payment.

The exception is advance payments concerning advances for water, fuel and energy. In such cases, the beneficiary is recommended to negotiate with the supplier regarding the meter readings and settle by the end of the termination of the (physical) implementation of the project. If so, the settlement by the supplier will be provided after the date of termination of the (physical) implementation of the project (after the date mentioned in the legal act on grant award / transfer) at the time of submission of the final request.

- for payment, then the final request for payment can only include actual settled expenditures.

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<sup>59</sup> Example: wages for June in which the monitoring period is terminated are paid in July.

## Internal documents

Eligible expenditure of the project can also be proven by internal accounting documents. The condition is that the beneficiary / partner maintains internal accounting, using internal regulation to document the method of allocation of costs to individual centres while the internal invoice fulfils the general formal requirements for the accounting document.

### 8.6.2 Simplified reporting of expenditure

Unlike the full reporting of expenditure, in the case of the use of simplified methods for reporting expenditure, there is a deviation from the principle of “actual expenditure” to the reporting (and consequent payment) of flat rate amounts as estimates of actual expenditure spent by the beneficiary for the purpose of the implementation of the project. This estimate is for selected calls / supported activities on the part of MA OP RDE.

The expenditure reported in some of the simplified methods are considered documented, similarly as the expenditure proved by the accounting, tax or other document. The objective of the following audits and inspections is to exclusively verify that the terms of individual simplified forms of reporting were fulfilled.

Types of simplified forms of reporting expenditure are as follows:

**a) Standard scale of unit costs** (hereinafter referred to as “unit costs”) – used in projects in which it is possible to exactly determine the measurable output or result and it is possible to assign unit costs. The total level of eligible expenditure for the project consisting of unit costs is equal to the product of the number of achieved units of the output and the unit cost to achieve the output. Outputs of unit costs and unit costs per individual outputs are stated by MA OP RDE ex ante.

The beneficiary only submits the results and outputs in the implementation report. The inspection is based on the evaluation; the level of the approved amount of the request for payment is stated on the basis of the actual achieved outputs and the results of the project defined in the legal act of grant award / transfer documented by supporting documentation supplied by the beneficiary (e.g. by the **report on project implementation**, photo documentation or verification of the project in the place or in another suitable manner). A decrease in the number of achieved outputs means a decrease in the level of eligible expenditure. Accounting documents or other documentation, equivalent evidence values are not the subject of the inspection. MA OP RDE may request the source materials for the implemented task and procurement procedure proceedings.

**b) Single amounts of contributions from public resources up to EUR 100,000** – the level of eligible expenditure for the project reported as a single amount is always nominally expressed as a flat rate amount which serves to cover the costs related to the achievement

of the previously stated output or result. The maximum level of the single amount for one project is EUR 100,000 contributed from public sources. The level of this amount is not binding for payments to beneficiaries within common action plans (see Article 109, par 1 of the General Directive).

Unlike standard scales of unit costs for single amounts, the proportional connection between the achieved partial outputs and payments to the beneficiary is not valid (i.e. the correction in the amount paid in the case of a decrease of the volume of achieved outputs) because the payment of the single amount is the condition to achieve the previously stated objective for the project. In the case that the objective is not achieved, it is not possible to pay anything from the single amount despite the fact that actual costs incurred for the beneficiary.

The maximum amount of the single amount for the project within one call for the submission of the grant application is stated by the Managing Authority and cannot be changed within the call. The single amount may consist of several partial single amounts related to the various activities of the project; however, the total volume of expenditure for the project reported by the single amount must not exceed the maximum level of the single amount stated in the general directive (EUR 100,000).

The maximum level of eligible expenditure that may be reported by the applicant / beneficiary as a single amount and conditions for payment will be stated by the Managing Authority in the legal act on grant award / transfer.

The project outputs are declared by the beneficiary through the supporting documentation (e.g. the **report on project implementation**, photo documentation) or verified by the inspection of the project on site or in another suitable manner. **Accounting documents or other documentation, equivalent evidence values are not the subject of the inspection.**

**c) Financing by flat rate** – the flat rate represents the percentage rate calculated from the previously determined eligible expenditure or inspections of the project budget.

The results of the flat rate are:

- **flat rate costs** – for the support from ESF it is valid that the flat rate up to the level of 40% of eligible direct costs per employee for the purpose to cover remaining costs for the project can be used. In the case of the use of this flat rate, direct wage costs are managed by the rules in Chapter 8.7.2.

or

- **indirect costs** – may be determined through one of the following flat rates (valid for ESF and ERDF):

- a) flat rate up to the level of 25 % of the eligible direct costs and this rate is calculated on the basis of an adequate, fair and verifiable method of calculation or a method which within the regime for grants financed exclusively by the member state is applied to a similar kind of project and beneficiary;
- b) flat rate up to the level of 15% of eligible direct costs per employee;
- c) flat rate of eligible direct expenditure on the basis of existing methods and the respective rates valid within EU policies for the similar type of project of the beneficiary;

The options mentioned in the simplified reporting can be combined with full reporting (if the rules of the call / Rules for Applicants and Beneficiaries – Specific section allows it), however only:

- if each of these relates to another category of expenditure;
- if they are used for various projects, which represent a part of the operation or; – if they are used for individual consequent phases of one operation.

The option to use the specific simplified reporting forms (in the case of financing by the flat rate, also its percentage level) will be stated in the text of the call / Rules for Applicants and Beneficiaries - Specific section and, at the same time, will be mentioned in the legal act on grant award / transfer.

## 8.7 Eligible expenditure

### 8.7.1 General conditions of expenditure eligibility

To be able to consider the expenditure eligible, the following conditions must be fulfilled cumulatively :1) they must be in accordance with the legal regulations of the EU and the Czech Republic;

- 1) must be in accordance with the OP rules and conditions of support (issued legal act on grant award / transfer);
- 2) must be adequate (correspond to the prices in the usual place and the time ) and must be spent in accordance with principles of economy, purpose and efficiency<sup>60</sup>;

<sup>60</sup> Section 2 of Financial Control Act.

- 3) must have incurred and have been paid by the beneficiary of the support / partner with the financial contribution in the period from 1. 1. 2014 until 31. 12. 2023;
- 4) must have a relation to the programme area;
- 5) must be fully identifiable, demonstrable and verifiable. Together, these terms represent five viewpoints of the eligibility of the expenditure: – substantive (points 1,2);
  - adequacy of the expenditure (point 3);
  - time eligibility (point 4);
  - local eligibility (point 5); – proof of expenditure (point 6).

The eligible expenditure must fulfil all viewpoints of eligibility. If any of the mentioned viewpoints is not fulfilled, the expenditure cannot be evaluated as eligible.

Outside the scope of the mentioned facts, MA OP RDE reserves the right for individual calls to restrict the eligible expenditure (time and/or substantial), or to state the limits of eligibility for a certain type of expenditure.

### **Objective eligibility**

The expenditure must be in accordance with:

- general rules for eligibility stated in the Rules for Applicants and Beneficiaries – General section;
- specific rules for eligibility stated by Rules for Applicants and Beneficiaries – Specific section (if these are issued in the stated call), if the objective eligibility is stated differently compared with Rules for Applicants and Beneficiaries – General section;
- conditions stated by the legal act on grant award / transfer concluded between the granting authority and the beneficiary. Due to the specific character of individual priority axes / investment priorities / specific objectives, the specific conditions may differ within OP for individual calls.

If the purchased assets, material or service in the project were used only partially, the eligible expenditure is only this part. The beneficiary is to document the partial use in the project through device logs or the qualification estimate attached to the electronic list of invoices.

### **Adequacy of expenditure**

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The adequacy of the expenditure means the achievement of the optimal relation between its economy, purposefulness and efficiency.

- Economy means the achievement of the respective quality of the fulfilment of tasks at a minimum price.
- Efficiency expresses the efficiency of invested sources with the benefit obtained through the stated activity.
- The purposefulness is the use of funds that ensure the optimal rate of the achievement of objectives during the fulfilment of stated tasks.

### **Time eligibility of expenditure**

The expenditure is time eligible if it relates to the cost incurred in the period between the date of the start of the project and the date of termination of the (physical) implementation of the project<sup>61</sup>. The time framework of the implementation of the project is exactly defined in the legal act on grant award / transfer.

MA OP RDE may state the eligible expenditure paid within the stated deadline before the date of the announcement of the call; this date is mentioned in the text of the announced call or the Rules for Applicants and Beneficiaries - Specific section.

The time eligibility may be modified in the announced call. If the time eligibility is not defined in the call or the Rules for Applicants and Beneficiaries - Specific section, it is valid that expenditure are eligible not earlier than on the date of signing the legal act on grant award / transfer.

### **Territorial eligibility of expenditure**

From the viewpoint of the location of the project, the general principle is valid that the project expenditure are eligible if the project is implemented in the territory to which the programme relates within the framework that it is supported. The implementation of the project outside the programme area is possible under the fulfilment of the following terms<sup>62</sup>.

In the case of the implementation of the project:

#### **1. in the territory of the EU:**

- a) the project must be in favour of the programme areas, and, at the same time

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<sup>61</sup> The expenditure may be eligible if paid after the termination of the (physical) implementation of the project under the condition that the expenditure incurred during implementation. The example is the wage of the member of the professional team paid in the month following the termination of the project belonging to this employee for the last month of the implementation.

<sup>62</sup> For details, see Chapter 70 of the General Directive (1303/2013) and Article 13 of the Directive (1304/2013) on ESF

- b) The obligations in the area of the management, control and audit must also be specified in the union legislation,
- c) In the case of the project supported from ERDF, the intensity of the aid must not exceed the limit of 15% of the aid on the priority axis; the monitoring committee must issue express consent for such a project or type of projects;

**2. outside the territory of the EU:**

- a) the project must be in favour of the programme area of OP RDE, and, at the same time
- b) The obligations in the area of the management, control and audit must also be specified in the union legislation,
- c) In the case of a project supported from ESF, the level of the support must not exceed the limit of 3 % of the allocation on the priority axis; the monitoring committee must issue the express consent about such a project or the type of the project;
- d) in the case of the project supported from ERDF, this may only concern activities of a technical assistance or promotional activities.

The time eligibility may be modified in the call.

**8.7.2 Eligible expenditure by type**

In the following sub-chapters is a description of the category of eligible expenditure in the widest possible scope. **For individual calls, the rules of eligibility may be specified, restricted only for certain categories of expenditure, mainly with respect to the character of supported activities in the stated call.**

**Direct expenditure (further classification according to categories**

Direct expenditure are divided into investment and non-investment:

- Investment costs mean costs for the acquisition or technical evaluation of tangible and intangible assets with the time of use longer than one year and the amount of the acquisition price of fixed tangible assets or technical improvement higher than CZK 40,000 and intangible assets or their technical improvement higher than CZK 60,000;
- non-investment expenditure mean all expenditure not mentioned above.

**Direct expenditure – Investment  Land**



It is possible to acquire land only in the case of projects financed from ERDF (European Regional Development Fund). Expenditure related to the purchase of land are eligible in the case that, at the same time, the following conditions are fulfilled:

- a) the acquisition price of the land is fully included into the level of 10% of the total eligible expenditure for project;
- b) the land is evaluated by expert opinion, which must not be older than 6 months before the acquisition of real estate<sup>63</sup>, and must be produced according to the act on the evaluation of assets,
- c) the eligible expenditure is the acquisition price up to the maximum level of the price determined by expert opinion.

Documentation for eligibility:

- a) purchase contract or a contract to conclude a future purchase contract;
- b) the expert opinion of the market price;
- c) documents regarding payment;

and then in the versions:

- a) Extract from the Cadaster of Real Estate;
- b) or the proposal for registration into the Cadaster of Real Estate<sup>64</sup>.

From the viewpoint of time eligibility, the date of registration of the right into the Cadaster of Real Estate (date by which the registration has legal effects) is decisive. If the date of registration of the ownership right into the register fulfils the time test for eligibility, it is not decisive whether the contract for the purchase of land was drawn up outside the scope of the time eligibility.

## □ Buildings and constructions

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<sup>63</sup> The acquisition of the real estate means the moment when a new owner was registered into the Cadaster of Real Estate.

<sup>64</sup> In the case that the ownership rights is not registered in the Cadaster of Real Estate, the ownership can be documented through the proposal for registration into the Cadaster of Real Estate confirmed by the cadastral office and the contract for the acquisition of the ownership right. No.later than with the final request for payment, the extract from the Cadaster of Real Estate must be submitted.

Buildings and constructions can be acquired in the case of projects financed from the ERDF (European Regional Development Fund). Expenditure related to the acquisition of buildings or their construction are only eligible under the fulfilment of the following conditions:

- a) the building or the construction will be evaluated by an expert opinion, which must not be older than **six months before the acquisition of the construction**<sup>65</sup>, and must be produced according to the act on the evaluation of assets, as amended;
- b) the eligible expenditure is the acquisition price up to the maximum level of the price determined by expert opinion.
- c) the construction complies with all legal regulations, specifically construction, hygiene, security and the provisions of the Building Act and the Implementing Regulations with the exception of cases where the project includes modification of the construction for the purpose of putting it into accordance with the mentioned regulations<sup>66</sup>. In the case that the construction is registered in the Cadaster of Real Estate according to the cadastral act, the decisive time for the evaluation of the time eligibility of the acquisition of the construction is the date of registration of the right into the Cadaster of Real Estate (date by which the registration takes legal effect). In other cases when the construction is not recorded in the Cadaster of Real Estate, the time of the evaluation of the time eligibility of the acquisition of the construction as the date of passing or the transfer of ownership rights is decisive.

Documentation for eligibility:

- a) purchase contract;
- b) the expert opinion of the market price;
- c) documents regarding payment;

and then in the versions:

- a) extract from the Cadaster of Real Estate or the proposal for registration into the Cadaster of Real Estate<sup>67</sup>;

<sup>65</sup> The acquisition of the real estate means the moment when a new owner was registered into the Cadaster of Real Estate.

<sup>66</sup> Not valid in the case of the purchase for the purpose of demolition.

<sup>67</sup> In the case that the ownership right is not registered in the Cadaster of Real Estate, it is possible to document the ownership through the proposal for registration into the Cadaster of Real Estate confirmed by the cadastral office and the contract on the acquisition of the ownership right. No later than with the final request for payment, the extract from the Cadaster of Real Estate must be submitted.

b) document on the possibility to use the construction:

1. approval consent, decision on the early use of the construction or a decision on the temporary use for trial operation - when these were issued, or
2. a valid building permit according to the approved rules – for constructions (in/not in progress).

• **Machinery and equipment**

Purchase of new and used machines and equipment to technically improve existing assets where the acquisition price of equipment and sets of assets in accounting exceeds the amount of CZK 40,000 and the time of usability is longer than one year. The eligible expenditure is the acquisition price (including assembly, transport, connection, etc.) and post-guarantee service for exceeding the implementation period for the project.

Documentation for eligibility:

- a) delivery note;
- b) order;
- c) inventory card for assets;
- d) source materials for the implemented public procurement procedure;
- e) expert opinion of a conclusive market survey for the market price of the assets used;
- f) the beneficiary documents the expenditure with the supplier's invoice;
- g) documents regarding payment.

• **Hardware and personal facilities**

Acquisition of servers, stationary and portable personal computers, printers, communication and network equipment, specialized terminal equipment, local networks, equipping of scientific workplaces with furniture (mobile and built-in), microscopes, mobile telephones, etc. evaluation of equipment and sets of assets in the accounting exceeds the amount of CZK 40,000 and the period of usability is longer than one year. The eligible expenditure is the acquisition price (including assembly, transport, connection, etc.) and post-guarantee service for exceeding the implementation period for the project.

**If the project is implemented in the indirect costs regime, direct expenditure for hardware and personal equipment only includes expenditure related to eternal activity of the project. Investment activities related to the purchase of hardware and personal equipment for the purpose of project administration are not an eligible direct expenditure in the indirect costs regime.**

Documentation for eligibility:

- a) delivery note;
- b) order;
- c) inventory card for assets;
- d) source materials for the implemented public procurement procedure;
- e) expert opinion of a conclusive market survey for the market price of the assets used;
- f) documents regarding payment;
- g) the beneficiary documents the expenditure by the supplier's invoice;

#### **□ Intangible fixed assets**

Expenditure for software, purchase of databases (including updates), purchase of intellectual property rights (know-how, licences, patents, etc.) are all eligible. The acquisition price of the fixed intangible assets exceeds the amount of CZK 60,000 and the period of the usability is longer than one year.

**If the project is implemented in the indirect costs regime, direct expenditure for intangible investment assets only include expenditure related to the substantive activity of the project. Investment activities related to the purchase of fixed intangible assets for administration of the project not in the indirect costs regime are eligible for direct expenditure.**

Eligible expenditure are the acquisition price<sup>68</sup> (including installation, etc.), unless stated by the call otherwise, for know-how for the evaluation by expert opinion from the respective legal expert. For licences, an eligible expenditure is the licence provided for the period during which the project is implemented or the period provided by the supplier, depending on which period is longer.

<sup>68</sup> In the case of any doubt, the acquisition price may be verified by an expert opinion. An eligible expenditure is the acquisition price up to the level stated by expert opinion.

Documentation for eligibility:

- a) order;
- b) source materials for the implemented public procurement procedure;
- c) documents regarding payment;
- d) the beneficiary documents the expenditure with the invoice of the supplier or the expert opinion.

## **Direct expenditure – non investment**

### **Personnel costs**

In the whole document, the administrative team means employees who ensure the running of the project, monitor, prepare settlement and ensure publicity. The aim of their activities is not the work with the target group. In most cases, this concerns the project and financial manager, assistant, PR manager, etc.

Professional positions mean employees who ensure the activities of the project and work with the target group for the project.

Eligible expenditure in the area of personnel expenditure are:

- wage costs: gross wages, salary or remuneration from agreements with employees working on the project, including legal compensation or bonuses (e.g. for overtime work<sup>69</sup>, work during holidays if the employee worked in this time period on the project, remuneration and extra payments, etc.);
- payments for social and health insurance - sickness paid by the employer;
- legal insurance of liability of the employer;
- other binding expenditure: e.g. vacation during maternity leave, contributions to the cultural and social needs fund or social fund (in the case that the legal regulation requires it), personal obstacles in work or service (doctors' appointments, wedding, birth of child, graduation, participation in the funeral of a family member, etc.) or indisposition days off, scope of obstacles on the part of the employer and specific terms for the provision of compensation of salary are determined either by legal regulation, the internal regulation of the employer or in the collective agreement.

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<sup>69</sup> if the overtime was ordered by the supervisor and was necessary for the timely resolution of date tasks

An eligible expenditure within the project and, at the same time, within the execution of further activities for the subject of the beneficiary / partner can be for 1 employee a workload higher than 1.2 of the total workload at the summary level of the concluded work for subjects involved in the project (i.e. the beneficiary or their partners). The evaluated workload does not include any period of maternity leave/parent vacation. The exception beyond the scope of 1.2 of the workload of the employee within the subjects involved in the project can be issued for the best members of the professional project team. The definition of the best members of the team will be defined in the announced call / Rules for Applicants and Beneficiaries – a Specific section in the case that this exception will be used. In the case of an increase in the workload beyond the scope 1.2, the beneficiary will request through the change proceedings, see Chapter 7.2.

**If the project is implemented in the indirect costs regime, the direct personnel costs include only professional positions. The positions of the administrative team are classified into indirect costs.**

Compensation for vacation is eligible within the scope:

- 5 weeks per year for employers defined by the Labour Code and the act on state service
- 4 weeks per year for all other employers;
- 8 weeks per year: for pedagogical employees and academic employees of universities in accordance with the provisions of Section 213 par. 3 of the Labour Code

During the determination of eligibility of the vacation during the implementation of the project, there must be the parallel character of the following criteria:

- a) compensation for vacation is the part of the gross wage of the employee in the period for the eligible expenditure;
- b) compensation for vacation applies to the period of the project implementation, i.e. if the implementation of the project takes 3 months, then the stated time section is a maximum of 1/3 of the vacation (in accordance with the valid legislation);
- c) compensation for vacation is reduced according to the level of the employee's workload in the stated project;
- d) compensation for vacation is a binding expenditure of the beneficiary according to the Labour Code;
- e) the repayment of unused vacation in the case of termination of the relation is not an eligible expenditure.

Compensation for vacation, which meets all existing above-mentioned criteria, is an eligible expenditure. Compensation for vacation, which does not meet the criteria, is not eligible expenditure.

If the employee participates in the project only with a part workload, the eligible expenditure is the aliquot parts corresponding to the ratio of the number of hours worked in the project and the number of hours worked in the organisation in total. . This aliquot ratio is used for recalculation of all expenditure related to the stated employee.

**List of recommended wages and procedures for the calculation of wages for employees participating in the implementation of OP RDE projects can be found at: <http://www.msmt.cz/strukturalni-fondy-1/zpusobilost-mezd-platu-op-vvv>.**

In the case of the overlap of the work relations of two employees participating in the implementation of the project for the purpose of the replacement of one of the employees, the personnel expenditure for both these employees can be considered eligible for a maximum of two months.

Documentation for eligibility:

- a) labour contracts or agreements - documented only with the first application of the expenditure (labour contracts or agreements, including work duties, wage rates and the level of the workload for the project);
- b) wage recapitulations or other suitable forms of documentation for the total eligible wage expenditure of employees (e.g. specification of wage expenditure, reports from the accounting system) for the monitoring period;
- c) documents regarding payment.

In the documentation for personal data during the settlement of the grant, the right of the employee for the protection of personal data is not breached.

The following is valid for proving personal data:

Labour contracts and agreements on work executed outside the labour relation or its annexes must contain:

- identification of the project in which the employee is involved,
- description of the work activity (i.e. work duties) relevant to the project, including distinguishing whether it concerns economic or non-economic activity,
- scope of activity, i.e. workload or number of hours per time unit (month, year, etc.) with the indication of the adequate ratio for the project,
- value of the wage or salary (as a rule payment evaluation) with the indication of the adequate wage/salary ratio for the project.

Actual hours worked are reported by the beneficiary through the work reports. **The work report** must be produced for all employees if it is not possible to exclude the fact (e.g., by the submission of work duties in the labour contract) that the stated employee could execute within their work duties economic activity / contractual research or another activity outside the project.

Work reports are submitted in the form of a summary per individually monitoring period. The beneficiary / partner must keep one original of the working report for the purpose of inspection.

Working reports for the project employee are required in the case of the occurrence of one of the following circumstances:

- a) it concerns an employee who within the stated legal relation executes activities for the project and also activities outside the project;
- b) it concerns a project, in which indirect costs are used, and a risk that the given job position would perform also agenda included into the category of indirect costs<sup>70</sup> cannot be excluded (this means that there is a risk of double-financing). Whether there is risk of double financing is decided by the beneficiary (partner) / granting authority according to the description of the work activity of the stated employee<sup>71</sup>, in the case of any queries, it is possible to contact the employee responsible for the stated project through IS KP14+ MA ;
- c) in the case of projects in the area of RDI, where the grant is awarded in the regime of not establishing of state aid, if the employee's scope of activity also includes the execution of economic activity;
- d) this concerns an employee employed on the basis of agreement to perform work or employment agreement.

**The work report must contain the minimum following data:** – identification of the project;

- identification data: name and surname of employee, name of the position, workload of the employee in the regime of direct expenditure, total work load for the employer and the overall workload for all employers involved in the implementation of the project.
- working hours fund for the employee in the stated month in hours;
- number of vacation hours, including the number of vacation hours for the project concerning only remuneration in the direct expenditure regime (in detail to two decimal places);

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<sup>70</sup> In the case of the combination of professional and administrative activities for one working position, the applicant divides in the budget, in the grant application, the expected workload belonging to these activities between direct and administrative expenditure. While a part of professional activities is stated in the budget as a direct cost, a part of administrative activities is included into administrative expenditure. Division is necessary only for a project, for which the applicant expects application of indirect costs.

<sup>71</sup> It is not necessary that all activities appearing in the work report, are mentioned in this description (i.e. eligible expenditure of the project also represent personnel costs related to the work, which the description of the work position does not cover although the activity is classified into the more generally formulated description of activity and the activity was necessary for the project).



- number of hours of sickness, including the number of hours of sickness for the project concerning only remuneration in the direct expenditure regime;
- number of actual hours worked, including hours worked for the project concerning only remuneration in the direct expenditure regime;
- time allocation in hours from which it will be uniquely stated the time during which the employee executed economic and non-economic activities, including the indication of the identification sign of the order / economic activity, name and brief description of the stated order (concerns the project in the area of RDI supported in the regime not establishing aid)
- description of activities / group of activities concerning only remuneration in the regime of direct expenditure,

which the employee executed for the project and the number of hours for each activity. (the employee does not fill in the details of which date the stated activity was executed<sup>72</sup>, with the exception of the participation in a business trip, meeting or conference, then they must also indicate the date); however, the employer must be able, in the case of inspection, to provide a record of the number of hours worked per stated month in the total for the project). Hours spent on activities outside the project or activities that establish indirect expenditure, are included in the total numeric data for the stated monitoring period at the employer but the type of work the employee executed is not mentioned;

- declaration of true data;
- description and date of the signature of the employee, name and surname, signature and the date of signing by the person authorized to confirm the veracity of the report;

For the documentation for expenditure related to personnel costs, a Report on project implementation – Implementation team binding annex must be submitted which includes the affidavit from the beneficiary on adhering to the rules for the maximum level of the workload of all employees participating in the implementation of the project.

The beneficiary must ensure that all transactions, in particular income and expenditure related to the project, are clearly identified within the accounting. Therefore, it is necessary that the beneficiary maintains records of personal expenditure in the manner that enables them to separate the expenditure that are exclusively related to the project and to book these expenditure on the basis of the respective documents.

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<sup>72</sup> Not valid for RDI projects supported in the regime for not establishing aid

The total level of eligible personnel expenditure must uniquely result from the submitted documents that are exclusively related to the stated project.

#### □ **Travel allowances**

Travel allowances must be:

- in accordance with the objectives of the project;
- implemented by the personnel involved in the project.

Travel allowances for the representatives of the target group are classified into the direct support chapter or are reported and financed within the purchase of services chapter.

**If the project is implemented in the indirect costs regime, only foreign business trips are classified into direct costs. Domestic business trips are classified into indirect costs.**

The purpose of a business trip must relate to the project. The employer (beneficiary or partner) may only delegate for a business trip an employee who on the basis of the concluded labour-legal relation is involved in the project.

Expenditure related to travel allowances must correspond to the usual prices in the place and time of the implementation of the project. With travel allowances, it is possible in relation to the implementation of the project to rank among eligible expenditure:

- 1) travel expenditure**— expenditure related to business trip transport (expenditure for public transport tickets in 2nd class<sup>73</sup>, seat reservations, couches or beds, air tickets in economy class<sup>74</sup>, tickets for public city transport<sup>75</sup>, expenditure related to the use of a motor vehicle in justified cases (i.e. non-existent connection, large volume of material is transported, use of taxi);
- 2) accommodation / dormitory**— expenditure for accommodation / dormitory must correspond to the usual prices and the time;
- 3) meals**— respective employees depending on the time of duration of the working / business trip. The level of amount for meals, on the basis of the Labour Code and according to respective MLSA regulations, is stated by the employer for the employee after termination of the

<sup>73</sup> A 1st class ticket is only eligible up to the price of a 2nd class ticket.

<sup>74</sup> If flying, an eligible expenditure is an economy class air ticket and directly related fees (e.g. airport fees) in the case of a flight with a distance of more than 500 km. If the distance is shorter, the consent of the granting authority is required. If the provider will not issue the consent, then only expenditure corresponding to the price of a 2nd class train of a higher quality (SuperCity, EuroCity, InterCity, Express etc.) can be paid from the expenditure.

<sup>75</sup> When purchasing time coupons, it must be documented that the purchase of coupons during the implementation of the project is cheaper than paying for individual tickets.

business trip within the settlement. The Labour Code (or the internal directive of the organisation) also states the rate of the decreased amount for freely provided meals;

**4) necessary side expenditure**– expenditure related to the subject of the business trip, for example, parking fees, fees related to business trips, conference fees, fees for the use of telephone, highway fees, etc. These expenditure can only be paid on the basis of proven payments of accounting documents. This item in the budget also includes expenditure related to the participation of professional employees in the project on foreign training or conferences.

### **Specific rules for foreign business trips**

Expenditure related to business trips of professional employees of the beneficiary and employees of partners during foreign business trips are eligible and the employer also means the subject who concluded with the beneficiary or the partner the agreement to perform work or work activity if it is stated in this agreement that this subject will conduct business trips. The purpose of the business trip must be in accordance with the specific activity and objectives of the project.

Outside of the EU, it is only possible to consider eligible trips by experts and professional employees participating in the implementation of the substantive activities of the project with active participation in the organized event with a direct relation to the activities implemented within the project.

During the settlement of foreign business trips, the procedure according to the Regulation of the Ministry of Finances on the rates for the amounts for meals in a foreign currency valid for the stated year is applied.

Accommodation in a hotel abroad is ensured at the prices usual for the time and place, as a rule in the\*\*\* category. As an eligible amount is usually possible to consider expenditure up to the amount

100 EUR/person/night (in the case of another currency, the amount corresponding to the equivalent of EUR 100). When exceeding this amount, the documentation for these services is required; this survey is mainly requested for higher category hotels (more than \*\*\*) as the source material for evaluation of eligibility.

In the case of foreign trips, the employer may provide the employee with an allowance in accordance with the rules for the provision of travel benefits during foreign trips on the basis of the Labour Code, as amended.

Documentation for eligibility:

- a) settlement of business trip;
- b) report on the course of the foreign business trip;
- c) documents regarding payment;
- d) a copy of the large technical certificate for the car and the document on accident insurance (with the documentation for expenditure related to the use of car in the case of foreign business trips or domestic trips for projects that are not implemented in the indirect cost regime).

In the case of the documentation for a trip by private car, then also the consent the supervisor for the use of this car

### **Per diems**

In the case of payment of travel expenditure for foreign experts, it is necessary to use valid EU rates. These expenditure, known as “per diems<sup>76</sup>”, cover expenditure for accommodation, meals and travel expenditure in the Czech Republic.

Actual rates per diems: [http://ec.europa.eu/europeaid/sites/devco/files/perdiem-2015-03-corr-columbia\\_en.pdf](http://ec.europa.eu/europeaid/sites/devco/files/perdiem-2015-03-corr-columbia_en.pdf)

This procedure is applied, for example, for experts invited to conferences, educational courses and short-term foreign experts. It does not concern payment of travel expenditure for foreign experts who concluded a labour contract with the beneficiary or the partner (or another similar contract according to Czech legal regulations).

The beneficiary documents any other contract concluded with foreign expert or the signed affidavit of the foreign expert where the identification of an event is mentioned (conference, seminar), plus the date and the declaration that the expert was not paid by any other subject. The bank account is specified to which funds are to be paid (if they are not paid in cash against the expenditure cash slip).

If it is not possible to state the time of the stay of the expert, the time rounded to hours is accepted<sup>77</sup>.

For the conversion of a foreign currency to CZK, the beneficiary uses the exchange rates valid for the payment of travel expenditure analogically according to the Labour Code.<sup>78</sup> “Per diems” are paid for the expert in the full amount. Only with their consent may “per diems“ be stated lower,

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<sup>76</sup> Actual rates per diems can be found at <http://ec.europa.eu/europeaid/node/13958>.

<sup>77</sup> Example: The expert arrives on Wednesday at 10.00 a.m. and departs on Thursday at 7:00 p.m. The amount of eligible per diems is calculated  $14 + 19 = 33$  hours  $33/24 = 1.375$ . The eligible daily rate per diems is multiplied by the coefficient 1.375.

<sup>78</sup> Date of starting of trip = date of crossing the border of the Czech Republic; date of the provision of the advance = day of making non-cash transfer, if it precedes the date of arrival to the Czech Republic.

they may also be paid only as an additional payment for the payment of accommodation directly by the beneficiary if after the payment of boarding during the activity for which the expert was invited.

Per diems do not include the travel expenditure of a foreign expert to the Czech Republic (e.g. to the airport) and back. The air ticket or travel ticket for this trip is an eligible expenditure outside of per diems.

Documentation for eligibility:

- a) contract with the foreign expert (or the affidavit from the expert);
- b) documentation related to the participation of the foreign expert in the conference (seminar and other events), e.g. call, programme, photo documentation, etc.

#### **Tangible assets and material hardware and personal equipment**

Acquisition of servers, stationary and portable personal computers, printers, communication and network equipment, specialized terminal equipment, local networks, equipping of scientific workplaces with furniture (mobile and built-in), microscopes, mobile telephones, etc. The acquisition price of equipment and the set of assets

in the accounting is equal or lower than CZK 40,000 and the time of usability is longer than one year. An eligible expenditure is the acquisition price (including assembly, transport, connection, etc.) and post-guarantee service not exceeding the period of project implementation, unless stated by the call otherwise.

**If the project is implemented in the indirect costs regime, direct expenditure for hardware and personal equipment only includes expenditure related to eternal activity of the project. Hardware and other personal equipment related to the administration of the project and the work of the administrative team is part of the indirect costs.**

Documentation for eligibility:

- a) delivery note;
- b) order;
- c) inventory card for assets;
- d) source materials for the implemented public procurement procedure;
- e) expert opinion of a conclusive market survey for the market price of the assets used;

- f) documents regarding payment;
- g) the beneficiary documents the expenditure by the supplier's invoice;

### **Machinery and equipment**

Purchase of new and used machines and equipment for the technical improvement of the existing assets where the acquisition price of the equipment and sets of assets in the accounting is equal or lower than the amount of CZK 40,000 and the time of usability is longer than one year.

**If the project is implemented in the indirect costs regime, direct expenditure for machine equipment only include expenditure related to the project activities. Machines and equipment related to the administration of the project and the work of the administrative team are part of the indirect costs.**

An eligible expenditure is the acquisition price (including assembly, transport, connection, etc.) and post-guarantee service not exceeding the period of project implementation, unless stated by the call otherwise.

Documentation for eligibility:

- a) delivery note;
- b) order;
- c) inventory card for assets;
- d) source materials for the implemented public procurement procedure;
- e) expert opinion of a conclusive market survey for the market price of the assets used;
- f) the beneficiary documents the expenditure with the supplier's invoice;
- g) documents regarding payment.

### **Material**

The beneficiary includes into this category all equipment and research and teaching material (chemicals, components, text books, material for practical teaching, ...) which serve for professional key activities or direct work with the target group.

**If the project is implemented in the indirect costs regime, this category of direct expenditure only includes material that does not serve for administration of the project.**

Documentation for eligibility :

- a) invoice from the supplier;
- b) documents regarding payment.

#### **Low-value fixed assets**

Expenditure for software, purchase of databases (including update), purchase of rights of intellectual property (know-how, licences, patents, etc.) are all eligible. The acquisition price of intangible non-investment assets is equal or lower than CZK 60,000. An eligible expenditure is the acquisition price<sup>79</sup> (including installation, etc.), and for know-how, the evaluation by an expert opinion from the respective legal expert.

For licences, an eligible expenditure is the licence provided for the period during which the project is implemented or the period provided by the supplier, depending on which period is longer.

Documentation for eligibility:

- a) order;
- b) source materials for the implemented public procurement procedure;
- c) documents regarding payment;
- d) the beneficiary documents the expenditure with the invoice of the supplier or the expert opinion.

#### **Depreciation**

Depreciations of tangible and intangible fixed assets (acquired before starting the physical implementation of the project or during implementation) are eligible expenditure of the project if the following conditions are fulfilled:

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<sup>79</sup> In the case of any doubt, the acquisition price may be verified by an expert opinion. An eligible expenditure is the acquisition price up to the level stated by expert opinion.

- public funds were not used for the purchase of concerned assets (i.e. the existing or previous owners of the equipment did not receive funds from public sources (during this project) for the purchase of the stated assets);
- the beneficiary selects the form of depreciation (in accordance with the Income Tax Act, as amended), which will be used during the whole period of implementation of the project; this set form will not be able to change;
- an eligible expenditure is tax depreciation stated according to the Income Tax Act, as amended at the aliquot level with respect to the rate of use of the stated assets during the implementation of the project;
- depreciations are rounded upwards in crowns.

Depreciation of cars is not an eligible expenditure within the projects financed from ESF. The exceptions are projects where a car will be used for the implementation of activities for target groups with special educational needs (e.g. transport of handicapped pupils to school and places where activities are implemented, etc.).

Documentation for eligibility:

- a) inventory card for assets;
- b) depreciation plan;
- c) document on the time and the rate of the use of assets for the stated project (e.g. device logs).

- **Local office**



Within this budget chapter, it is possible to use financial funds for ensuring the operation of the office, which serves for the management of the project. Eligible expenditure are considered to be expenditure for materials and services and are mainly used by the administrative team and are necessary for ensuring the implementation of the project.

**If the project is implemented in the indirect cost regime, all expenditure classified into this chapter are paid from indirect costs.**

Expenditure for the local office may apply exclusively to the project and must apply to other activities or apply to the project partially and be related to other activities of the beneficiary - in such a case it is possible to include in the eligible expenditure only the ratio corresponding to the administration of the project. This concerns, for example, consumer goods and operating material, telephone, mail fees, fax, payment for connection to the Internet, consumption of water, fuel and energy, rent of offices for the implementation team, etc.

Documentation for eligibility :

- a) invoice from suppliers;
- b) internal invoices from rebooking part of the costs from the operating centre, including documentation on the method of calculation;
- c) documents regarding payment.

- **Purchase of services**

Expenditure related to the purchase of services are only eligible in the case that:

- deliveries of all services are in accordance with the objectives of the project and they contribute to their planning - delivery of the services relate to the implementation of the project (time and locally).

**If the project is implemented in the indirect costs regime, all expenditure for the purchase of services related to the administration of the project and the work of the administrative team are classified into the indirect costs chapter.**

The budget item **Outsourcing services** contains, for example:

- **purchase order for developed or created publications**, training materials (textbooks, publications, books, manuals) and multimedia aids;
- **professional services / studies and research** – includes, for example study, analyses, collection of data and ensuring interpreting and other partial research tasks necessary for the implementation of the project, and may include a foreign expert if

A labour contract or agreement is not concluded (in such a case, it would be reported within the personnel expenditure item);

- **project audit** – if required by the call;
- **expenditure for conferences / courses** – includes expenditure for ensuring the implementation of conferences or courses organized by the beneficiary or the partner with a financial contribution within the project - training or conference into which the target groups, invited participants or the general public will be involved; as a rule, these costs cover the leasing of premises, conference technicians, refreshments<sup>80</sup>, transport and accommodation for the target group, etc.;
- **energy**– necessary for the implementation of activities of the project - operation of machines and equipment, research centres, etc.;
- **repairs and maintenance** – maintenance of machines and buildings, always in relation to the activities of the project;
- **other expenditure**– expenditure for legal consultancy, expert opinions, administration of orders ensured by external suppliers and other non specified above mentioned services directly related to the activities of the project and if they are necessary for implementation (e.g., expenditure necessary for the education of the professional team members related to the project).

Documentation for eligibility :

- a) invoice from suppliers;
- b) list of present participants in the case of support for participants;
- c) internal invoices for re-booking of part of the costs from the operating centre, including documentation for the method of calculation;
- d) documents regarding payment.

## Rent and leasing

If for the purpose of the project, the purchase of the respective movable and immovable assets is not economic, then these can be short-term or long-term leased.

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<sup>80</sup> The price limit for refreshments is stated in point 10. Direct support for this chapter (item boarding)

In general, it is valid that the eligible expenditure is only part of the rent / leasing which is time related to the activities of the project in which the stated assets are used. If the assets within this period are used for the purpose only partially, then only the respective part of the rent or leasing instalments are eligible.

**If the project is implemented in the indirect costs regime, direct expenditure only include the leasing of movable and immovable items serving for the implementation of the project activities. Assets used by the administrative team are the subject of a flat rate payment of indirect costs.**

## Leasing

- **Financial**– leasing of movable and immovable item where after termination the subject of leasing is **transferred** at the agreed purchase price into the ownership of the lessee<sup>81</sup>; can only be used if the subject of leasing is an eligible expenditure

For leasing contracts with a re-purchase clause (or for contracts stating a minimum leasing period of the length corresponding to the service life of the investment, which is the subject of the contract) the eligible amount must not exceed the market value of the investment, which is the subject of leasing. Taxes and financial activity of the lessor related to the leasing contract are not eligible expenditure. Eligible expenditure are only instalments related to the period of the implementation of the project.

- **Operative** – leasing of movable item or immovable item after whose termination the subject of leasing is returned to the lessor as a rule. It can also be used in the case that the subject of the leasing would not be an eligible expenditure. However, the beneficiary must prove that the stated assets are necessary for the implementation of the project

MA OP RDE reserves the right to restrict the option of the eligible expenditure in the form of operative leasing for individual calls.

The contract for operative leasing is concluded with the company/open ended /i.e. a free or open end of the leasing relation is not possible), which does not enable to repurchase the equipment and buildings at a net book price (only eligible are instalments which relate to the period of the implementation of the project and, at the same time, to the period during which the subject of leasing is used for the stated project).

Documentation for eligibility:

<sup>81</sup> From the viewpoint of Section 21 of Act 586/1992 Coll., on the Income Tax Act, the term “Lessee” used in these rules is identical with the term “User” and the term “Lessor” with the term “Owner”.

- a) leasing contract, repayment schedule;
- b) received invoices issued for individual instalments;
- c) calculation of the relative eligible part of leasing – the period must be evident for which the subject of leasing was used for the stated project, the actual level of leasing instalments per year, the methodology of the calculation of the leasing during the period of the implementation of the project and the total level of eligible leasing;
- d) documents regarding payment.

### **Administrative and other fees**

The general condition for the eligibility of administrative expenditure and fees is their economy and direct relation to the project or the requirement of the granting authority for whom the spending is in relation to the project. This also condition applies to the insurance of assets and for administrative and local fees, e.g. fees for registration in the Cadaster of Real Estate,

Extract from the Commercial Register, issue of the building permit, extract from the criminal register, payments for withdrawal of land from agricultural soil fund, notary fees, etc.

Eligible expenditure include fees in relevant organizations or other associations if membership of these is necessary to achieve the objectives of the project.

Actual fees that are considered eligible may be specified according to the setting made in individual calls.

Ineligible expenditure within the direct costs are bank fees, interest from due amounts, penalties and fines.

Documentation for eligibility :

- a) documents for payment of fees;
- b) bank statements

### **Direct aid**

This chapter includes expenditure concerning a directly targeted project group and its involvement into the project activities. Expenditure mentioned in this chapter are not classified into the indirect costs of the project.

**Wage contributions** – are provided for the employer as compensation for part of the wage costs (at the level of gross wages, including legal payments) for an employee during their participation in further education. This compensation within the OP RDE programme may concern target groups specified in the call and may be provided up to the level of 100% of the actually paid wage costs; however, a maximum of the amount corresponding to triple the amount of the minimum wage valid at the time of execution of the project activity. This compensation is only paid to the employer for the period (in hours) where its employees actually participated in the project activities instead of the execution of the agreed work. The trip to the place of the implementation of activity and back is not included in this time. Wage funds are only provided for employees participating in the activities of the project, not for employees who during the absence of a designated employee executed their work as a substitute/representative.

**Travel expenditure, accommodation and amounts for meals** – in the OP RDE it is possible to use direct aid to cover expenditure related to the implementation of practice, fellowship, excursions and multi-day educational stays where the accommodation, travel expenditure and meals are paid in a single form.

Travel expenditure, accommodation and meals are paid in the form of a direct payment to the individual. If the travel expenditure, accommodation and meals are provided in the form of services, these are reported in the purchase of services budget chapter. The travel expenditure of the implementation team are classified into the travel expenditure chapter or into indirect costs (if used in the project).

**Direct aid for participants in projects can be paid:**

- **for travel expenditure**(e.g. on the basis of the submitted travel documents for mass public transport in 2nd class). In the case of the use of a car, eligible expenditure are restricted by the amount corresponding to the 2nd class of public transport multiplied by the number of people in the target group that were transported in the car. The exception is the use of the car in the case that it will be documented that it was not possible to use public transport, e.g. during the transport of handicapped people or when public transit schedules do not provide convenient connection for use. In this case, the travel expenditure can be paid similarly as for the implementation team.
- **accommodation** – the expenditure for representatives of target groups can be paid at the level of prices usual in the place, in the Czech Republic a maximum of CZK 1,500 per person per night (for the capital city of Prague the limit is increased to CTK 2,000 per person per night) or a lower price according to the internal regulations of the stated organisation. In the case of accommodation abroad, the for adults (including doctoral students, etc.) then accommodation in a hotel at prices usual in the place, as a rule in the category \*\*\* is considered adequate; for pupils and students, suitable accommodation is considered as accommodation in families, tourist accommodation facilities or university dormitories (other than those where the pupil/student is usually accommodated), etc.;

– **boarding** – the price limit for boarding / refreshments for participants is stated at CZK 300 per day per person in the case of a full day domestic business trip (i.e. an event taking place within one day and lasting a minimum of eight hours), at CZK 400 in the case of event related to the accommodation of participants (unless internal the beneficiary's regulations do not state a lower limit) abroad at the usual prices in the place.

Boarding can also be provided for further participants in the event if their relation to the implementation of the project will be justified /these are people who are not the target group but participate in the event, e.g. important guests or experts or members of the implementation team (does not concern boarding within the travel order).

All participants to whom accommodation and boarding was provided, must be registered in the list of present participants, which is issued each day separately and which contains relevant data on the participants in the stated event.

**In the case that it is not a full day event the limit must be decreased within the respective ratio.**

Boarding for employees in the target group can be paid in accordance with the Labour Code. In justified cases (only if it is not possible to ensure boarding in another manner), boarding vouchers may be provided at the respective level or expenditure for boarding may be paid on the basis of individually submitted accounting documents from the shop / boarding facility. In extraordinary and justified cases, the boarding of a representative of the target group who is not an employee and it is not possible to ensure boarding for them in a mass manner or within the travel compensation on the basis of the Labour Code, within the participation in the foreign event (e.g. fellowship) then it is possible to pay the boarding on the basis of the so-called unnamed contract concluded between the beneficiary / partner and the participant. The agreed payment for boarding must correspond to the prices common in the place.

In the case of participants in courses who are sent for training on the basis of a travel order by the employer, the travel expenditure can be paid and proven according to the Labour Code. In the case that within the project for the target group, wage contributions and/or travel expenditure, accommodation or boarding on the basis of travel orders, the employer of the target group is obliged to conclude with the beneficiary / partner for the support a contract on education<sup>82</sup> and to consequently submit to the beneficiary / partner the list of travel compensation for its employees and to document them with copies of the respective documents (travel order, travel tickets, documents for accommodation, etc.)

During the settlement of foreign business trips, the same procedure is used as that for foreign business trips by the project employees (see Travel expenditure).

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<sup>82</sup> For partners – if it is not the part of partner contract.

In the case of payment of direct support to target groups, it is necessary to document individual amounts by the appropriate spending document with the signatures of the supported persons. If the list of present participants serves as the document for the participation of the target group and the event lasts more days, the participation of the specific person must be documented by their signature for each day of the event.

**Accompanying activities** – this item is used for the payment of further expenditure related to the involvement of the target group in the project (e.g. tickets for events in which the target group participates within the project, etc.); in addition, it is possible to pay expenditure related to ensuring the assistant / assistant services provider directly to the representatives of target groups, e.g. pupils with special needs, handicapped, etc., and also for payment of necessary costs /at the locally common places) related to the care of children or other dependant persons so that such person can be involved in the project activities. These services will be provided on the basis of the contract concluded between the beneficiary and the assistant service provider. In addition, it is possible to pay from this item the expenditure for the pedagogical supervision of children, pupils and students that are involved in the project as a target group.

Documentation for eligibility:

a)document regarding payment (generally to all the following categories);

b)wage allowances:

– payment and settlement documents that are produced for period of one month;

– wage recapitulation or other suitable forms for the documentation of wage expenditure of employees for the monitoring period;

c)travel expenditure, accommodation and boarding: – settlement of business trip; - report on the course of the foreign business trip;

– expenditure cash documents - in the case of direct payment for the direct aid to participants in activities;

d) accompanying activities:

– invoices or the contract<sup>83</sup> from the provider of the assistance service;

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<sup>83</sup> In the case where the subject is not business subject.

- expenditure cash documents;
- payment or settlement documents for employees ensuring accompanying activities.

### 8.7.3 In-kind contributions in OP RDE

In-kind contributions can only be used in the OP RDE project under the precondition that they fulfil the following conditions and, at the same time, **serve as the method of ensuring co-financing of the project on the part of the applicant / beneficiary. The contextual contribution for the purpose of eligibility within OP RDE can be considered to be the provision:**

- construction work,
- goods,
- services
- land,
- constructions,
- unpaid voluntary work,

only in the case of the fulfilment of the condition that expenditure related to purchase / acquisition were not paid from the project implemented within OP RDE, or the project which the applicant / beneficiary wants to co-finance with this contribution.

**In-kind contributions are eligible up to the level of co-financing the project by the applicant / beneficiary stated from the actually used total eligible expenditure of the project.**

It is possible to provide contextual contribution in the stated call only under the precondition that the type of contribution - see above, is according to the type, an eligible expenditure of the stated call and fulfils / helps to fulfil the purpose of the project and, therefore, is necessary for its implementation.

During the provision of the contextual contribution and its inclusion into the request for payment during the implementation of the project, related costs involved on the part of MA OP RDE up to the final settlement of the project, i.e. the amount of the contextual contribution will be included



in the calculation of the final payment / returned amount during the termination of the project and during the administration of the final request for payment.

**In general, the following is valid for in-kind contributions:**

1) State aid provided for the project, which includes in-kind contributions, must not exceed after the deduction of in-kind contributions, the total eligible expenditure at the end of the project, i.e. financing from public resources must not be exceeded at the end of the year

the actually incurred and paid expenditure, i.e. the amount without eligible expenditure in the form of in-kind contributions.

2) The value of in-kind contributions does not exceed the usual prices in the place and time and for the stated fulfilment.

3) The value and the provision of the contextual contribution can be independently evaluated and verified.

4) In the case that the applicant / beneficiary decides to use a contextual contribution for co-financing the project, they must state and describe the manner and the form of its provision in the grant application (into the text field of the respective key activity of the project in the IS KP14+) and, at the same time, create in the budget an independent item that concerns contextual contribution. At the same time, it is valid that such a provided contextual contribution is documented and proved No. later than in the final request for payment.

5) In-kind contributions are used exclusively for co-financing projects implemented within OP RDE by the applicant / beneficiary.

6) In the case of the provision of land or real estate, its value is verified by an independent qualified expert or a fully authorized official body and the value of the contextual contribution must not exceed a limit of 10 % of the total eligible expenditure of the project. At the same time, it is valid that the purchase of land or real estate is enabled within the stated call and it is necessary for the implementation of the stated project. In the case that the applicant / beneficiary decides to provide for co-financing their own land or real estate (where the purchase was not implemented within the stated project) it must be valid that the key activities of the stated project must be conducted on the designated land or real estate.

7) In the case of in-kind contributions in the form of unpaid voluntary work, the value of this work is determined on the basis of the verified volume of spent working hours (e.g. according to the working report) and rates used during remuneration for the equal work. **In the case of this type of contextual contribution, the accounting records of the beneficiary are not required on the part of MA OP RDE. The voluntary work may be included by the applicant / beneficiary into the binding co-financing of the project when fulfilling the following conditions:**

- it may only concern voluntary work organized through voluntary centres and accredited as sending organizations according to the act on voluntary service;
- voluntary centres must conclude a contract with the volunteer, must guarantee the execution of their work in accordance with the valid legislation and also confirm for the organisation the records on the scope of the work performed.

8) In the case of in-kind contributions in the form of services and goods, the value is determined on the basis of a market survey or expert opinion.

### **The range of in-kind contributions may be restricted in the announced call.**

In the case that within the stated call, the provision of the contextual contribution of the applicant / contribution is enabled, then for the purpose of documenting eligible expenditure, it is necessary to prove both ownership and the validity of the contextual contribution.

The ownership relation to the real estate is usually documented by the extract from the Cadaster of Real Estate. In the case that the ownership rights are not registered in the Cadaster of Real Estate, it is possible to document the ownership through the proposal for registration into the Cadaster of Real Estate confirmed by the cadastral office and the contract for the acquisition of the ownership rights (e.g. purchase contract, gift contract, etc.). The evaluation of real estate is documented through an expert opinion. This expert opinion must not be older than 6 months before the date of booking the assets into the project. The acquisition of real estate is the subject of the condition that there must not be double financing from ESIF.

The ownership of movable assets is to be fully documented from the viewpoint of the required documents (e.g. by the submission of the warehouse / inventory card for assets). The value of the material used should also be documented and evaluated using a reliable method (use of prices from bids). The acquisition of movable assets is the subject of the condition that there must not be double financing from ESIF.

#### **8.7.4 Indirect costs**

Indirect cost mean costs incurred during the implementation of the project or as a consequence of, although the level is derived indirectly by the calculation using the flat rate. These are costs incurred by the organization in relation to ensuring service activities (e.g. processing of book-keeping, payment of rent and energies), which cannot be directly assigned to a specific project. These also concern costs with low amounts that occur in projects in a high quantity and the Managing Authority did not classify these into indirect costs due to the administrative inspection (e.g. domestic travel expenditure). Finally, these are costs that are repeated in each project and are necessary for ensuring the project (e.g. for positions ensuring the administration of the project, see Chapter 5.2.1).

Due to the difficult character of assigning expenditure to a specific activity and the complicated documentation and checking of these expenditure, reporting in the form of indirect costs is preferred. As soon as direct expenditure in Request for payment are approved, indirect costs are stated at the level of the percentage ratio of the flat rate of the actual spent direct eligible expenditure of the project.

#### 8.7.4.1 Rates of indirect costs for projects financed from ESF

Lower limit (in CZK) of direct costs	Upper limit (in CZK) of direct costs	Rate of indirect costs
0	13000 000	25 %
13 000 001	21 000 000	21 %
21 000 001	30000 000	18 %
30 000 001	40000 000	16 %
40 000 001	50000 000	14 %
50 000 001	80000 000	12 %
80 000 001	120000 000	10 %
120 000 001	200000 000	8 %
200 000 001	and more	6 %

#### 8.7.4.2 Rates of indirect costs for projects financed from ERDF

If the rates of indirect costs for ERDF in the call are applied, the flat rate of indirect costs is stated either individually for each project or will be stated on the basis of the analysis at the level of the call. Flat rate of indirect costs must never exceed 25%.

This rate will be determined in the following manner at the project level:

- the applicant edits in the grant application edits budget in the classification into the administrative expenditure and other expenditure;;

- the budget is evaluated in the process for of evaluation of the project by internal / external by external evaluators / evaluating / selection committee.. If it contains ineligible expenditure or possibly overvalued amounts, it is cut in corresponding manner;
- MA states the flat rate for indirect costs after the recommendation of the project by the selection committee for the termination process of the approval as the ratio of the administrative costs deducted by costs classified by their character into the NN group to the total direct eligible expenditure of the project;;
- the NN flat rate is fixed in the legal act on grant award / transfer and is valid up to the end of the implementation of the project.. Indirect costs are determined with this rate in each Request for payment.

The absolute final level of indirect eligible expenditure is directly proportional to the actual spent direct eligible expenditure. Therefore, within the inspection submitted by Request for payment, it is necessary to verify the level of the actual incurred and documented direct eligible expenditure. MA for projects applying NN does not check the accounting documents related to indirect costs, but only checks the direct costs of the project. In the case that during the consequent inspection, the part of direct costs is classified as an ineligible, the respective part of indirect costs stated by the flat rate also becomes ineligible.

### **8.7.4.3 Definition of indirect costs**

The definition of the categories of indirect costs is the same as projects financed from ESF and ERDF.

If the call and the related documentation in which indirect costs are applied does not state otherwise, it is not possible to classify it among direct expenditure:

#### **1) Expenditure for the remuneration of employees within the organisation of the beneficiary or the partner of the activity:**

- expenditure for the activities of the administrative team according to chapter 0; e.g. project manager, financial manager, their assistants, etc.);
- book-keeping;
- personnel issues;
- administration of procurement procedure proceedings;
- ensuring training of occupational health and safety in the regime stated by the legal regulations of the Czech Republic;

- ensuring guarding;
- ensuring cleaning;
- ensuring repair and maintenance of equipment and equipment for use in real estate;
- ensuring the publicity of the project, including monitoring of press (advertisements, leasing of premises for press conferences, refreshments for press conferences, production of promotional items, leaflets, etc.) with the exception of cases where publicity measures are the main activity of the project (mainly for projects focused on the change of knowledge of the target group, etc.);
- administration of computer networks and internet pages, including updates;
- copying;
- printing for administration and publicity of the project;
- costs for creation of CSNF for employees who are paid within the project from indirect costs.

## **2) Travel expenditure of the implementation team where the subject are:**

- all travel expenditure related to domestic business trips (the form of transport in which the trip was made is not important - e.g. private or service car, public transport, taxi, etc.) for the travel expenditure

of the implementation team are not considered costs related to a usual implementation trip by the form of transport (e.g., bus), if this form of transport is primarily ensured for the target group and if the usual transport of the implementation team does not create any additional costs for the transport of the target group, all costs for the operation of cars for domestic business trips.

## **3) Equipment and office appliances in the following items:**

- costs for hardware and software for the administrative project team;
- costs for the purchase of papers (including blocks), material for lamination, writing needs, files for documents, CD, DVD, USB flash disks and other data carriers, i.e. if they are necessary for administration of the project or the target group);
- costs for consumer and office materials (other than in the previous bullet point) designated for the administration of the project), i.e. all material or minor items that do not have the character of the equipment or devices or are designated for single or gradual consumption and the service life does not exceed one year;

- costs for the purchase of equipment and devices and consumer material acquired for the purpose of ensuring publicity from ESF (in particular, Article 8 of Commission Regulation (EC) No. 1828/2006).
- costs for the acquisition of inventories of material for ensuring refreshments for employees of the project or the target group (these are cups, biscuits, tea, etc., which are not consumed at one specific event but are designated for gradual consumption, e.g. during individual consultations, and it is not decisive whether these “inventories” are booked, i.e. does not apply to the “for stock” accounting);
- costs for cleaning detergents and tools or devices (with the exception of cases where the target group uses them for its inclusion);
- depreciation of buildings used for the implementation of the project;
- depreciation of equipment or devices which serve for the administration of the project (i.e. the target group does not use it during its inclusion into the project).

#### **4) Expenditure for services where the subject is:**

- rent of offices and other premises used by the administrative team for the project (including publicity for the project), leasing of the premises for work with the target group of the project belong to direct costs (e.g. leasing of classroom, leasing of premises for the protected workshop, etc.);
- purchase of water (water and sewerage fees), fuel and energy (electricity, heating, etc.) in premises used for implementation of the project;
- internet and telephone connection, fax, mail fees, transport fees, packing fees;
- book-keeping, including the maintenance of employees' wages;
- maintenance of the budget, tax and legal advisory and consulting;
- costs related to processing the grant application and its annexes;
- costs related to the administration of grant;
- ensuring personnel issues (including costs related to the evaluation of fitness for work on the basis of an entrance inspection in accordance with the act on specific health services), ensuring OHS training in the regime stated by legal regulations of the Czech Republic;

- rent or leasing of operating equipment or devices serving for the administration of the project (i.e. not used by the target group for inclusion in the project);
- ensuring repair and maintenance of equipment and equipment used in real estate;
- ensuring the project publicity, including monitoring the press (advertising, leasing of premises for press conferences, refreshments for press conferences, production of promotional items, leaflets, etc.) with the exception of cases where publicity measures are the main activity of the project (mainly for projects focused on changing the knowledge of the target group, etc.);
- administration of computer networks and internet pages, including updating, copying, printing for project and publicity administration;
- bank fees, including bank fees for international financial transactions (foreign payments, cash withdrawals abroad, conversion fees, etc.);
- administration of procurement procedures / procurement procedure proceedings necessary for the project and other services related to the assignment of orders (advertising, consulting, etc.);
- process or financial audit of the project, if required by the call;
- notary and administrative fees necessary for the implementation of the project (e.g. verification of documents, etc.);
- cleaning services;
- ensuring security services, insurance of assets used for implementation of the project.

## 8.8 Ineligible expenditure

Ineligible expenditure are expenditures, which:

- 1) cannot be paid from grant funds;
- 2) are not contained in the valid budget of the project;
- 3) were supported in the past from public resources;
- 4) are not spent in accordance with the objectives of the project and, at the same time, are not necessary to achieve the objective;

- 5) are not adequate and are not spent in accordance with the principle of economy, efficiency and purposefulness;
- 6) are not in accordance with Czech and European legislation.

**If such expenditure originate, the beneficiary will pay them from their own funds.**

Non-economic or non-effective expenditure may also be indicated by MA OP RDE as ineligible in the case that this expenditure is part of the approved budget. In case of cases of unjustified purchases of equipment, material or services before the termination of the project or purchases for which the beneficiary did not submit requested documents. Unjustified expenditure will be considered in relation to the status of the implementation of key activities of the project.

Ineligible direct expenditure are considered to be:

- wage costs of employees who did not participate in the project (in the case of managers, it is necessary to evaluate their actual involvement into the implementation of the project, personnel expenditure of the representatives of the statutory body who are not directly involved into the project or only formally, cannot be considered eligible);
- wage expenditure of the members of the implementation team which do not relate via their involvement to the off-project activities;
- payment of unused vacation in the case of termination of labour relation;
- other costs for employees, for which the employer are binding according to special regulations, e.g.
  - payments for health insurance in the case that the employee uses unpaid days off;
  - payments related to the vacation beyond the number of weeks specified in the provisions of Section 213 of the Labour Code;
  - costs related to the vacation agreed in the employment agreement;
  - severance;
  - contribution to pension insurance, gifts;
- value added tax or part of, if there is a legal claim for deduction; interest from credits and loans
- sanction fees, fines and penalties or other sanction expenditure resulting from contracts or other reasons, cancellation fees;
- administrative and local fees not having a direct relation to the project and are not expressly stated by MA;



- direct taxes (road tax, real estate tax, gift tax, inheritance tax, customs duties, etc.) - expenditure that are part of the liquidation of the company, bad receivables, etc.;
- expenditure for legal disputes incurred in relation to a certain project, e.g. expenditure for payment of legal fees, for the acquisition of evidence, for legal representation in the case of a dispute, expenditure for legal defence against the MA OP RDE procedure, penalties, fines, other sanction expenditure and legal expenditure related to the legal dispute;
- reserves for possible future losses and debts;
- exchange losses, exchange losses are not considered losses incurred only in terms of accounting due to the difference in the exchange rate used according to the internal regulation of the organization and the exchange rate used in the case of actual payment;
- alcoholic beverages, tobacco products and psychotropic substances..

### **Income from the project**

Income is divided into:

- 1) income according to Article 61 of the general directive (see Chapter 0);
- 2) income outside of Article 61 of the general directive (see Chapter 0);

Project income is never:

- payments which the beneficiary / partner receives from contractual penalties due to breaching of the contract between the beneficiary / partner and third party or parties;
- payments incurred due to the fact that the third party selected according to the Public Procurement Rules withdraws its bid (financial security).

#### **8.9.1 General rules for projects generating income according to Article 61**

The project creating income according to Article 61 of the general directive means any operation that includes investment into the infrastructure for whose use the fees charged are paid directly to the user or any operation which includes the sale or leasing of land or buildings or any other provision of services against payment with total eligible expenditure above 1 million EUR before the application of Article 61.

Provisions of Article 61 of the Directive are applied for projects which create net income **after implementation**. The income represents cash flow in the form of fees paid directly by final beneficiary of the project output.

**The project creating income for the application of Article 61 means any project:**

which includes investment into the infrastructure for the use of which fees are charged paid directly by the user;

- which includes the sale or leasing of land or buildings, constructions;
- which includes other provision of services against payment /e.g., entrance fees to museums for visitors, fee for training paid by trainees).

**Article 61 does not apply to the following cases:**

- projects not creating income;
- projects not creating net income (the income is insufficient to fully cover operating costs);
- projects which are the subject of the rules of the state aid, i.e.
  - a) aid de minimis;
  - b) compatible state aid for small and medium sized enterprises for which in relation to the state aid, the intensity or the level of aid is restricted;
  - c) compatible state aid in whose case individual cases of support were verified in accordance with the valid rules for state aid;
- projects where total eligible expenditure exceed 1 million EUR or are co-financed from ESF;
- returnable assistance, which must be returned in the full amount;
- projects for technical assistance;
- projects for which grant is awarded from public sources provided in the form of single amounts on the basis of unit costs.

The limit of 1 mil. EUR of eligible expenditure applies to the total eligible expenditure of the project before modification according to Article 61. For conversion to EUR, the exchange rate of the European Commission (hereinafter referred to as EC) CZK/EUR is used that is valid in the month of the grant application by the Managing Authority. Such an exchange rate used to determine the total eligible expenditure of the project in EUR cannot be changed.

## **Obligation to submit cost benefit analysis (hereinafter referred to as CBA)**

The CBA tool serves for the evaluation of 3E (economy, efficiency and the purpose) during the evaluation of projects. Outputs can be used for the evaluation of the economic performance of the project, the evaluation of its sustainability and economic impact.

- **Financial analysis** – is submitted by the applicants of projects creating profit according to Article 61 of the general directive and also by applicants of projects who do not fulfil this condition; however, the total level of eligible expenditure of the project exceeded a minimum of 5 million CZK (the document is for the purpose of the sustainability of the project). The financial analysis is the basic precondition for verification of whether it is necessary to co-finance the project, as well as the initial point for the evaluation of the sustainability of the project, i.e. whether sufficient financial resources are ensured for the project. The applicant prepares the financial analysis in the CBA MS2014+ module.
- **Economic analysis** – submitted by applicants of major projects (above 100 mil. CZK of the total eligible expenditure). The analysis contains the evaluation of risks and the expected impact on the stated industry and on the social - economic situation of the stated EU state and if possible, the other regions of the European Union.

### **8.9.1.1 Procedure for the calculation of potential net income**

Possible net income from the project is determined in advance by means of discounted net income from the operation (method of financial gap) while taking into consideration the reference period, the usual expected profitability of the stated category, application of the “polluter pays” principle, and possibly, the relative prosperity of the stated member state or region. A detailed description is provided in the methodological recommendation for projects creating income in the programming period 2014–2020.

Net income is deducted from eligible expenditure of the operation No. later than at the final request for payment, created during the execution of the operation from sources which were not taken into consideration during the determination of potential net income.

**If it is not possible to objectively determine the income in advance** with the use of the above-mentioned method, net income is deducted from expenditure reported to the Commission created within three years from the termination of the operation or up to the deadline for the submission of documents for closing the programme, whichever occurs earlier.

### **8.9.1.2 Monitoring of income**

The beneficiary must notify the granting authority of all income created in relation

to the project, which includes investment into the infrastructure for the use of which fees are charged, paid directly to the user or any operation which includes the sale or leasing of land or buildings or any other provision of paid services. This obligation applies to net income (as well as formerly not considered income or those significantly exceeding the original estimated values) incurred from the date of the physical implementation of the project.

Net income, which in the end will be implemented, will be monitored in the project during the implementation of the project and for sustainability. In the case of the discovery of significant discrepancies between the previously estimated net income and the implemented net income, the financial gap will be recalculated and the level of the deviation signalling the incorrectly stated level of the financial gap at the beginning of the project is considered by the European Commission to be a deviation in the financial gap exceeding 10 %.

If when determining the income in advance, the calculation gap method was used, the beneficiary must, together with the submission of Final report on project implementation and Final report on project sustainability, recalculate the level of the financial gap according to the actual achieved values of income and expenditure. MA OP RDE consequently modifies the aid intensity in these cases where there was the exceeding of the above-mentioned 10% limit and the beneficiary must return the respective part of the grant, i.e. deduct in the period of the implementation the additional income from eligible expenditure of the operation not later than in the final Request for payment submitted by the beneficiary and to return due income in the sustainability period. It is possible to return this up to the end of the sustainability period or within the deadline for the submission of documents for closing the programme stated by the special rules for individual funds according to whatever occurs earlier.

### **8.9.2 General rules for projects with income outside of Article 61**

Any income not classified under Article 61, with the exception of interest credited to the bank account<sup>84</sup> of the beneficiary are considered other financial income. This income decreases the total eligible expenditure of the project, which decreases the basis of the calculation of aid and the aid intensity.

In accordance with Article 65, par. 8 of the general directive, it is necessary that projects where the total eligible expenditure exceed the limit of EUR 50,000, deduct net any other financial income created in the period of the implementation of the project from the eligible expenditure of the project not later than during the submission of the final Request for payment if this income was not taken into consideration during

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<sup>84</sup> Credit interest is not required for the receipt of the project.

approval of the project and the grant was not decreased at the beginning of the project. If the expected level of new other financial income mentioned in the legal act on grant award differs from the actual achieved value, then the following applies:

- if real net other financial income is lower, the beneficiary does not have the right for an increase in the grant;
- if the real other net financial income is higher, the eligible expenditure are decreased by this increase, i.e. also the grant.

Net other financial income represents other financial income created by the project after the deduction of the operating expenditure of the project. If for the co-financing, the total investment expenditure are not eligible, it is necessary to divide net income in the ratio of eligible and ineligible expenditure.

The beneficiary must monitor the other financial income created during the implementation of the project and report them in the monitoring reports of the project (see Chapter 7.1).

## **8.10 Financial penalties (sanctions for non-fulfilment of the obligations of the beneficiary / partner**

Sanctions for non-fulfilment of obligations of the beneficiary / partner will be stated in the legal act on grant award / transfer.

# **9. CHAPTER – PROCESSES AND RULES OF INSPECTIONS AND AUDITS**

## **9.1 General provisions on checks, verifications and audits**

The applicant/beneficiary is obliged to be subject of inspections, resp. audits, by following supervisory bodies: Ministry of Education, Youth and Sports – Managing Authority of RDE, Ministry of Finance (Auditing body and Payment and certification body, European Commission, European Court of Auditors, European Anti-Fraud Office (OLAF), Supreme Audit Office of CR, Financial Administration bodies within the meaning of the Act on CR Financial Administration authority, and eventually inspectors and other supervisory bodies in compliance with the CR and EU regulations.

The beneficiary is obliged to inform the granting authority, in writing or in electronic form (such as internal dispatch) on facts affecting implementation of the project specified by MA OP RDE, particularly to inform on any inspections and audits performed in relation to the project,

within 15 business days. At request of the granting authority, MA OP RDE, payment and certification body or AA, the beneficiary is additionally obliged to provide all information on results of the inspections and audits, incl. the inspection / audit reports.

The beneficiary shall oblige also its partners and other subjects engaging in the project implementation to all obligations specified above.

The MEYS will perform administrative verification and inspections on site in compliance with art. 125 of General Regulations, inspection rules, Financial control act in public administration, Methodological Guideline for performing of inspections in responsibility of the steering bodies within implementation of the European Structural and Investment Funds for period of 2014–2020 (hereinafter referred to as "MP for inspections") and Methodological Guideline of financial flows for programmes co-financed from European Structural Funds, Cohesion Fund and European Maritime and Fishing Fund for programming period of 2014–2020 (hereinafter referred to as „MG for financial flows“). As needed, the MA OP RDE will perform so-called “monitoring visit “to verify the status of the project and to discuss and solve ambiguities and/or problems of the project requiring consultations between the beneficiary and the MA OP RDE. This is to prevent eventual incorrigible malpractices or sanctioning of the beneficiary. The MA OP RDE will compile record from the monitoring visit to be submitted to the beneficiary.

## **Types of inspections or administrative verifications**

### **1. Inspections on site/administrative verification before issuing/completion of the legal act on grant award / transfer**

**Administrative verifications/inspection on site** are performed during approval of the project to find out readiness status of the beneficiary for overall implementation of the project and complying with conditions for grant award from OP RDE. Output of this type of verification is the project evaluation record.

### **2. Inspections on site/administrative verification within the project implementation**

**Administrative verification** is performed during period from issuing of the legal act on grant award / transfer to completion of the project physical implementation. In this case, the subject is particularly verification of information given in the monitoring reports (intermediary, final), requests for payment, and the input documents for such verifications are legal act on grant award / transfer and its eventual modifications, as well as other binding documentation, as it includes data and specific conditions for grant award affecting the eligibility of the expenditure within the project.

**Inspection on site** verifies, whether the project implementation complies with the issued legal act on grant award / transfer, OP RDE rules and CR / ES regulations, and whether the invoiced products were actually delivered and services provided, and whether the values stated by the beneficiary in the report comply with the actual state.

### 3. Inspections on site/administrative verification within sustainability period

Subject of the administrative verification/inspection on site is verification of complying with conditions of the legal act on grant award / transfer after completion of the project physical implementation (or within the sustainability period). Both types are performed after the project completion within the ex-post monitoring project.

The beneficiary must allow MA OP RDE to perform the verification or inspection. The beneficiary is obliged to bind by the obligation also other subject engaged in the project implementation (particularly partners and suppliers).

#### Administrative verification

The administrative verification covers inspection of documents submitted by the grant applicant / beneficiary within grant application, notification on the project modification, request for modification of rights or obligations specified in the legal act on grant award / transfer and within continuous submitting of all types of reports on project implementation. The administrative verification is performed in workplace of the granting authority.

The administrative verification, which is not related to the administration of the report on project implementation, is in detail specified in the chapters related to the particular process (modifications, issuing of the legal act on grant award / transfer, evaluations etc.).

If the administrator detects any non-compliance during verification of the report on project implementation, it invites the beneficiary in writing<sup>85</sup> to remove the detected non-compliance with the deadline for removal of max. 10 business days (the deadline is determined depending on amount of the non.-compliances). This deadline can be extended on basis of proper justification<sup>86</sup>.

In case the non-compliance is not removed or the administrative verification detects an incorrigible non-compliance, which cannot be removed, the further proceeding complies with the chapter 9.2.

The beneficiary can apply the review request against results of the administrative verification. The deadlines and all procedures are specified in chapter 10.1.

<sup>85</sup> The term „in writing“ means in electronic form by means of IS KP14+.

<sup>86</sup> Proper justification means particularly the Force Majeure. Drawing of holiday of the implementation team staff, absence of the beneficiary statutory body representative etc. are not relevant reasons.

## Inspection on site

Within the inspection on site (hereinafter referred to as „inspection “), the MEYS supervisory body finds out, whether the inspected person fulfils its obligations resulting from the legal act on grant award / transfer, the CR / EU legislative regulations, and the OP RDE rules. All is verified on place of implementation of the project or inspected person headquarters. The supervisory body starts the inspection ex officio.

The inspected person means legal or physical person, who is obliged to be subject to the public administration inspection of use of the grant means by the supervisory body in compliance with relevant legal regulations. Thus it is beneficiary within the OP RDE, resp. other subject engaged in the supported project.

In most cases, the applicant / beneficiary will be notified on the inspection via IS KP14+ by means of the internal dispatch or in writing (data box, mail). Simultaneously, the inspection start notification will be available to the applicant / beneficiary.

The inspection on site is started by presenting the inspection authorisation to the inspected person or other person, who delivers or delivered goods, or takes / took the goods from the inspected person, who performs or performed works for it, and/or provides / provided services to it, or uses /used services from it, resp. is/was engaged in any such activity (hereinafter referred to as „authorized person“), who is present at the inspection site.

In case of e.g. intent avoiding of the inspection on site by the inspected person, non-collaboration of the inspected person with the inspectors etc. the inspection on site can be started also by other methods, such as:

- Delivery of the inspection start notification to the inspected person, and such notification must include the inspection authorization or list of inspectors, or
- By first of the inspection acts immediately preceding the submission of the inspection authorisation to the inspected or authorized person, who is present on the inspection site, if performing of such inspection steps is needed to perform the inspection.

Acc. to Section 10 par. 1, letter b) of the Controlling Rules, the inspected person can object against the impartiality of the inspector or invited person (annex No. 7 to Rules for Applicants and Beneficiaries). Sample is available in IS KP14+. The inspected person will be notified on the except resolution via the IS KP14+, too.

Before starting the inspection on site, the inspected person is advised on rights and obligations regulated by Section 10 of the Controlling Rules.



1. The inspected person is entitled to:

- Require from the inspector presentation of the inspection authorisation and other document proving that it is the person specified in the inspection authorisation;
- Object to the prejudice of the inspector or invited person;
- Acquaint with the content of the inspection report;
- Object to the inspection findings specified in the inspection report.

2. The inspected person is obliged to create conditions for performance of the inspection, to enable to the inspector to perform the subject of authorisation specified by this act and provide needed collaboration to this, and to submit to the inspectors the written report on removal or prevention of the non-compliances detected during the inspection within the deadline specified by the inspector, if the inspector requests it.

3. The obliged person (see the inspection start) is obliged to provide to the inspector collaboration needed to the inspection performing, if the collaboration cannot be ensured by means of the inspected person.

During the inspection on site itself the inspection group verifies facts stated by the beneficiary in the project intent – grant application and its annexes, in submitted reports (report on implementation, incl. request for payment), and in the project modifications.

On basis of the results of the inspection on site. the supervisory body compiles within **30 calendar days** from performing of last inspection act (**within 60 calendar days** in especially complex cases) the Inspection Report (hereinafter referred to as „report“). The last inspection act means act preceding the compilation of the Inspection Report, such as termination of examination on site and leaving of the inspection group from the examination site, return of requested documents to the inspected person; sending of (requested) documents by the inspected person to perform the analysis required etc.

Copy of the Inspection Report is sent to the inspected person via IS MS2014+ (if the system will comply with all formal requirements), via data box or via personal delivery mail.

In cases when the Inspection Report is sent to the inspected person, the inspected person need not confirm the take-over of the Inspection Report. In this case, the confirmation is formed by the proof of delivery or take-over of the delivery (acc. to the sending method).

The Inspection Report can be submitted to the inspected person also in person in cases of complex or extended inspection findings, where the eventual verbal explanation is required to the finding. In case of personal delivery, the inspected person confirms take-over of one copy of the Inspection Report by its signature.

In case the Inspection Report will be delivered by other method, then via IS MS2014+, then the data to IS MS2014+ must be simultaneously entered in the same scope, as if it was send via IS MS2014+.

In compliance with Section 13 of the inspection rules, the inspected person can apply the written and justified objections against the inspection findings specified in the report (see sample in annex No. 8) within **15 calendar days** from the report delivery date (see paragraph above). With regard to the inspection finding extent and in advance, the head of the inspection group can in compliance with Section 13 of the inspection rules determine the longer deadline in the report.

The inspected person must apply the objections in writing<sup>87</sup> and they must show, to which inspection finding they apply, and they must also include the justification of the objection. In case the inspected person applies the objections after determined or extended deadline, the objections shall be refused as the late applied objections.. In case the objections are applied by the non-authorized person, they will be also refused.

If the objections are not satisfied by the head of the inspection group or inspector within 7 days from date of their delivery, they must be resolved by the higher authority within 30 days from their delivery by their satisfaction, partial satisfaction or refusal. In especially complex case the deadline for resolving of the objections by the inspection higher authority is extended by 30 days. The inspection higher authority shall notify the inspected person on extension of the deadline. In case the objections do not clearly show, against which inspection findings they apply, or if there is No. justification, then the objections shall be refused as unjustified. In the other cases, the objections are satisfied, partially satisfied or refused, eventually handed-over to re-examination.

Based on the results of the inspection on site and inspection findings, the inspected person may be required to perform specific correction measure. Implementation of such corrective measures by the inspected person in result of the performed inspection on site, they can be subsequently subject to administration verification or other inspection on site by the granting authority.

**The inspection on site is terminated by:**

- Vain expiration of deadline for applying objections or resigning the right to apply the objections, or
- Day of delivery of the resolution of the objections to the inspected person, or
- Day, on which the objections were handed-over for resolution to an administration body.

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<sup>87</sup> The term „in writing“ means in paper or electronic form (particularly by means of IS KP14+).

Outputs of the inspections on site will be logged in the information system. Faults, at which it is determined by legislative, will be handed over to relevant authorities (e.g. suspected cases of breaching of budget discipline will be submitted to financial administration authority).

If, on basis of the inspections on site or administrative verification, the MA OP RDE reveals suspected cases of breach of discipline acc. to Section 44 of the Budgetary Rules, suspected criminal act or violation of Public Procurement Act, the request for payment actually administered can be decreased (see chapter 9.2), or the suspected cases can be submitted to relevant authorities to further examination. Simultaneously, the payment may be suspended (i.e. pre-financing), non-payment of part of the grant or submission of the case to starting of the grant withdrawal proceeding. All procedures are notified to the beneficiary.

## **Audit**

Subjects, which can within the implementation of OP RDE perform audits at applicants and beneficiaries drawing the aid from OP RDE, are as follows:

– Audit Authority of the Ministry of Finance, – European Commission, European Court of Auditors.

Audits performed by the Audit Authority are controlled by Section 13a Financial control Act and the inspection rules. The other audit subjects proceed in compliance with the European Union legislative and rules.

Written draft of the audit report must be provided to the audited person. Subsequently, the audited person is entitled to put written position to the report draft, which is subsequently part of the audit report. Deadline for applying of the written position is determined by the inspection body staff. This deadline may not be shorter than 5 calendar days, if other deadline was not agreed upon.

After vain expiration of this deadline or after delivery of the written position of the audited person the audit report is finalized and submitted to the public administration supreme body performing the audit. The audit is terminated by the day of delivery of the audit report to the public administration supreme body. In addition, the final audit report is sent to audited person and MA OP RDE.

In case the final audit report includes suspected non-compliance, then the Managing Authority of OP RDE must consider the findings as confirmed (from the side of Managing Authority of the OP RDE such findings are irreversible) and submitted to relevant public administration body competent to further examination (such as Financial Administration, Office for the Protection of Competition).

## **9.2 Non-compliances and methods of recovery of the grant means affected by faults of the beneficiary**

„Non-compliance “means violation of the CR / EU legal regulations due to acting or negligence of the economic subject<sup>88</sup>, which leads or could lead to loss in the EU summary budget (resp. ESIF) or in the CR public budget, by allowance of ineligible expenditure to the EU summary budget (resp. ESIF) or to the CR public budget.

In case of evaluating of the payment for breach of discipline acc. to the Budgetary Rules and the act on Budgetary Rules of the regional budgets it generally applies, that the breach of discipline resulted or could result in loss in the CR public budget,

by allowing ineligible expenditure. However, the non-compliance does not include incurring of the ineligible expenditure by a state organization unit, provided that the ineligible expenditure was detected and the proper financial adjustment was performed before approval of the request for payment by MA. In addition, the non-compliance does not include incurring of ineligible expenditure at the beneficiary level, if it is a provided in the ex-ante mode and also provided that the ineligible expenditure was detected and the proper financial adjustment was performed before approval of the request for payment. However, such cases will further be considered for suspected act of breach of discipline, which will be submitted to the relevant financial administration authorities. The criminal act committed in relation to implementation of the programme and project co-financed from the EU budget (resp. ESIF) is always considered for non-compliance.

The beneficiary commits the non-compliance, if it does not comply with conditions, under which the ESIF financial means were provided to it, and if the beneficiary does not adhere to instructions of the granting authority in case of such findings identified by MA OP RDE.

MA OP RDE is responsible for resolving of non-compliances within OP RDE. Sufficient financial adjustment means (applies to ex-ante financing):

- Removal of the ineligible expenditure from request for payment and summary of accounting documents;
- Decrease of the request for payment by ineligible expenditure resulting in decrease of the pre-financing, i.e. non-payment of the grant part (for state organization unit, state-funded institution state organization unit beneficiary, the request decrease applies, but the pre-financing is not decreased). If the actual request for payment decreases also expenditure paid in previous requests for payment, it is not sufficient financial adjustment, but method of recovering the means.

The non-compliance can be detected e.g. by means of:

- Public administration inspections on site (MA OP RDE or other subject, such as payment and certification body, SAO);

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<sup>88</sup> Economic subject means subject acc. to art. 2 of the General Regulation.

- Administrative verification;
- Audit by AA;
- Audit by EC;
- Audit by ECA.

Non-compliance resolution process features several phases:

- Resolution of justification;
- Justified suspicion to non-compliance;
- (Non)confirmation of non-compliance;
- Notification of non-compliance;
- Recovering of means of affected non-compliances

After delivery of objection, the MA OP RDE resolves its **justification**. If the MA OP RDE does not refuse the objection for clear non-justification, it starts the proceeding acc. Financial control act<sup>89</sup> without improper delay. Based on results of the inspection, the MA OP RDE decides, whether it is **confirmed** or **non-confirmed non-compliance**, and if it is confirmed, it quantifies the amount of non-compliance, generally within 6 months from receiving of the objection leading to suspicion to the non-compliance. Quantification of the non-compliance is performed acc. to provisions of the legal act on grant award / transfer, resp. acc. to actually applicable amendments<sup>90</sup>.

If, on basis of performed inspection, the MA OP RDE decide, that it is confirmed non-compliance, it notifies the non-compliance to the Ministry of Finance (resp. to European Commission, if the case falls to the notification obligation acc. to art. 122 of the General Regulation) as the confirmed non-compliance and further continues in resolving the non-compliance by **recovery** of the means affected by the non-compliance.

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<sup>89</sup> With regard to particular case it may be public-administration inspection on site, or administrative verification or some form of the inspection within the internal inspection system acc. to act on financial administration.

<sup>90</sup> However, the above-specified procedure includes exceptions, in which the delivered objection is directly identified as justified suspicion to non-compliance or as confirmed non-compliance.

Recovery of the means is performed in relation to type of suspicion to the non-compliance. Most often occurring type of the non-compliances is breach of discipline acc. to the Budgetary Rules.

In such case, the recovery of the means is performed by means of relevant financial administration authority.

In exceptional and justified cases the MA OP RDE may subsequently change its conclusion on confirmation, resp. quantification of the non-compliance. This procedure may be followed by the MA OP RDE only in such cases, when the new facts, which substantially affect the evaluation of particular case, occur. Decision of the national bodies (breach of discipline/criminal act/administration offence occurred), where the national bodies (Financial Administration Authority, court, Office for the Protection of Competition) do not find out violation of relevant act, or. conclude that the financial impact acc. to relevant act is lower than quantified by MA OP RDE, it is not as such the sufficient reason to change the evaluation by MA OP RDE.

If, in any phase of resolution of the non-compliance, the MA OP RDE arrives at suspicion of breach of discipline acc. to act on the Budgetary Rules, to criminal act related to operation co-finance by the EU budget, or to administration offence of the contractor or supplier within the meaning of Public Procurement Act, the MA OP RDE shall submit the case to competent body to further examination, i.e. to Financial Administration Authority, Police of Czech Republic or public prosecutor, Office for the Protection of Competition.

**If the relevant body decides lawfully on violation of the legal regulation, the MA OP RDE is obliged to be subject to the lawful decision and to confirm such non-compliance, i.e. in such case the MA OP RDE is not authorized to challenge such finding by any means.**

Following cases always form confirmed non-compliance at amount determined by relevant body (quantification finding cannot be challenged):

- Quantified finding from the AA final audit report;
- Quantified finding from EC final audit report after accepting by CR;
- Quantified finding from the ECA final audit report, after this finding, incl. quantification, is confirmed by EC and subsequently accepted by CR;
- Quantified finding from completed payment and certification body inspection;
- Quantified finding from completed inspection by MA OP RDE acc. to art. 125 of the General Regulation;
- Quantified finding from completed inspection by SAO, which the relevant MA OP RDE considers for proper;

– Financial adjustments performed by EC acc. to art. 85, 144 and 145 of the General Regulation. **Particular description of solution methods for faults of beneficiaries**

### **1. Faults, which can be corrected**

If it is violation of condition, under which the grant was provided, for which the granting authority in legal act on grant award / transfer acc. to Section 14 par. 6 of the Budgetary Rules determined that its non-adhering will be sanctioned by lower payment than the total amount of grant and its nature enables correction within additional deadline, then the MA OP RDE within the approval process of the Report on project implementation/inspection report invites the grant beneficiary to implementation of corrective measures within specified deadline.

**A. If the correction is corrected within specified deadline**, then such cases are not notified as suspicions to breach of discipline nor as the non-compliance.

**B. If the correction is not implemented**, then when it is possible to decrease the pre-financing by the affected amount, MA OP RDE applies Section 14e of the Budgetary Rules by procedure acc. to point 2 A. If it is not possible to decrease the pre-financing by the affected amount, the MA OP RDE identifies the case as confirmed non-compliance and submits the suspicion for breach of discipline financial administration authority.

### **2. Faults, which cannot be corrected**

**A. Application of Section 14e of the act on Budgetary Rules**– if the MA OP RDE reveals the fault of type of violation of the obligation specified by the legal regulation, or non-adhering of the condition, under which the grant was awarded [except obligation acc. to Section 14 par. 4 letter k) of the Budgetary Rules, i.e. obligation determined in the legal act on grant award / transfer as the „others“ and its non-adhering is not non-justified use acc. to Section 3 letter e) of the Budgetary Rules], and simultaneously the grant can be decreased by the amount affected by the fault in the pre-financing (i.e. amount of so-far non-paid amount exceeds the amount affected by the fault), the MA OP RDE applies the Section 14e of the Budgetary Rules to the fault. The beneficiary will be notified on the grant decrease by means of the Notification on non-payment of part of the grant as follows.

If the residual pre-financing can be decreased<sup>91</sup>, MA OP RDE announces the beneficiary statutory body representative the non-payment of part of the grant. The annex to the announcement is Notification on non-payment of part of the grant at amount of determined correction. The announcement with the Notification of non-payment of part of the grant are delivered to the beneficiary via internal dispatch.

The MA OP RDE applies the correction to actual/next approved expenditure statement with distinguishing to investments/non-investments. The pre-financing payment is decreased either in one time, or continuously in relation to actual status of the project financing. The MA OP RDE then together with administration of next Report on project implementation performs change of the project budget and asks the beneficiary for modification of the financial plan.

### **Cumulation of Notification on non-payment of part of the grant**

If the fault amount is lower than 10 000. CZK (incl.), it is possible (not necessary in one project to cumulate the fault cases on one Notification on non-payment of part of the grant and to send them at once after the limit of 10 000. CZK is exceeded or to date of 30. 6. and 31. 12. of relevant calendar year, or before date of approval of the last payment of the project pre-financing, and the earlier date applies. If the fault amount is lower than 1 000 CZK (incl.), it is possible to cumulate the notification up to date of approval of the last payment of pre-financing within single project.

In compliance with Section 14e of the Budgetary Rules, the beneficiary can apply the objections against the Notification on non-payment of the part of the grant (sample letter to apply the objections see annex No. 9) within 25 calendar days from date of receiving the Notification on non-payment of part of the grant.

Without improper delay, the MA OP RDE notifies the relevant Financial Administration on applied scope of Section 14e of the Budgetary Rules, i.e. on non-payment of part of the grant to the beneficiary, incl. its cope and justification.

**Section 14e of the Budgetary Rules can be applied only to expenditure, which have not been so-far identified as breach of discipline by the financial administration authority.**

Within application of Section 14e of the act on Budgetary Rules, the projects financed in the ex-post mode are never the breach of discipline, and vice versa the projects financed in the ex-ante mode are always breach of discipline. Decisive factor for determination, whether it is (not) the non-compliance, is moment of revealing of the unjustified expenditure. The performing of unjustified expenditure is

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<sup>91</sup> And if the financial administration authority did not decide in the same case on quantification of payment for breach of discipline.



not considered for the non-compliance only in case that the unjustified expenditure is revealed and the proper financial adjustment is performed before its approval in the request for payment, within which it was presented to the granting authority.

**B. Application of Section 14f of the Budgetary Rules**– if the MA OP RDE reveals fault of violation of the obligation determined by the legal regulation [except obligation acc. to Section 14 par. 4 letter k) of the Budgetary Rules], or other violation condition, under which the grant was awarded and for which it is not possible to invite to correction measures acc. to point 1, and simultaneously the amount affected by the fault cannot be decreased to the beneficiary in pre-financing acc. to point 2A, i.e. all means have been paid to the beneficiary or the non-paid amount is lower than the amount of fault), then the MA OP RDE sends to the beneficiary the Call to return the grant amount or its part, in which it determines the amount to return (it must be determined within so-called decreased payments, i.e. amounts calculated acc. to Section 14 par. 6 of the act on Budgetary Rules).

- a) If the beneficiary, in compliance with the Request, returns the grant or its part to the provider, it is not suspicion to breach of discipline. The decisive factor for determination, whether it is (not) the non-compliance, is moment of revealing of the unjustified expenditure. Without improper delay, the MA OP RDE notifies in writing for the relevant Financial Administration on issue of the request for returning the grant or its part and on response to such request.
- b) If the beneficiary does not return the grant or its part to the granting authority within determined deadline, the MA OP RDE identifies the case as confirmed non-compliance and submits the case as suspicion to breach of discipline financial administration authority.

**Breach of budgetary discipline suspicion solution procedure**

If it is suspicion to breach of discipline acc. to the Budgetary Rules, the MA OP RDE submits the case without delay together with relevant documentation of findings resulting from the performed inspection or audits within the particular project to relevant financial administration authority to further proceedings for examination of suspicion to breach of discipline<sup>92</sup>.

MA OP RDE will inform the beneficiary via internal dispatch on result of the inspection and amount of financial impact, incl. information that the case will be submitted to recovery of the payment to financial administration authority in compliance with the Budgetary Rules.

In the financial administration authority concludes that there is breach of discipline, it assesses the payment for breach of discipline acc. to the act on Budgetary Rules.

<sup>92</sup> This provision does not apply if suspicion to breach of discipline is resolved by procedure acc. to Section 14f of the act no. 218/2000 Coll. on the Budgetary Rules.

If the financial administration authority assesses the payment for breach of discipline at lower amount than the non-compliance confirmed by MA OP RDE, then the MA OP RDE deals with the case and decides, whether the MA OP RDE insists on determined amount of the non-compliance.

If the financial administration authority assesses the payment for breach of discipline at amount higher than the non-compliance confirmed by MA OP RDE, the MA OP RDE is obliged to respect the decision of financial administration authority. Subsequently, the MA OP RDE performs together with the administration of next Report on project implementation the modification of the project budget and asks the beneficiary for modification of the financial plan.

In Section 44a par. 12 and 13, the Budgetary Rules enable to ask the General Financial Directory by means of the Financial Administration for waiving or partial waiving of the payment for breach of discipline and sanction, when the breach of discipline by beneficiary is result of proved fault or

non-collaboration of the granting authority, or due to natural disaster, or by situation changed by the state. Waiving or partial waiving is not possible in case of amount of financial adjustment determined by violation of the Public Procurement Rules by decision of the European Commission No. C (2013) 9527 from 19. 12. 2013 (hereinafter referred as „EK financial adjustment “). If the amount of payment for breach of discipline exceeds the above-specified EC financial adjustment, its waiving or financial waiving is possible in cases, when the payment was evaluated for violation of Public Procurement Rules and at the same time the stricter financial evaluations are not specified at the operation programme level. If the payment for violation of the Public Procurement Rules after waiving is lower than the non-compliance amount confirmed by the MA OP RDE, then the MA OP RDE deals with the case. If the dealing results in the decision, that the MA OP RDE insists on the non-compliance amount determined by it and the affected amount was not decreased or paid on basis of the Notification on non-payment of the grant part and at the moment it is not possible to decrease the amount for pre-financing, it will be recovered by procedure from position of MA OP RDE.

### **Procedure for solving the suspicion of administration offence**

In case of suspicion to the administration offence of the contractor or supplier within Public Procurement Act, the MA OP RDE submits the case to further examination to Office for the Protection of Competition by means of call to start the proceeding acc. to Section 42 of the administrative rules. If the Office for the Protection of Competition decides that there is a administrative offence acc. to Public Procurement Act, the MA OP

RDE is obliged to respect the lawful decision of Office for the Protection of Competition<sup>93</sup> and to confirm the non-compliance, resp. increase the quantification of the non-compliance to match the significance of the found administrative offence<sup>94</sup>.

However, the obligation to place the challenge to Office for the Protection of Competition does not affect the obligations to start the proceeding and decide whether there is breach of discipline, thus the challenge is also submitted to financial administration authority to resolve the suspicion to breach of discipline and the case is evaluated also from view of the non-compliance confirmation.

If the Office for the Protection of Competition does not find occurrence of the administrative offence or decides in different scope that decided upon in confirmation of particular non-compliance by MA OP RDE, the MA OP RDE deals with the case and decides whether it took into account in full scope the level of violation of Public Procurement Act as evaluated by the Office for the Protection of Competition. If the Office for the Protection of Competition identified larger scope of the violation of Public Procurement Act (i.e. stated the administrative offence belonging factually to other stricter rate acc. to EC instruction to financial evaluations) than originally evaluated by MA OP RDE, the MA OP RDE will decide on subsequent non-payment of part of the grant (i.e. issuing of the Notification on non-payment of the part of the grant) at relevant amount.

The above-specified procedures for solving the non-compliances apply also for beneficiaries of TP MA, except application of Section 14e of the Budgetary Rules, which cannot be applied for this type of projects.

### **Procedure for solving the suspicion of criminal act**

The criminal act committed in relation to implementation of the programmes or projects co-financed from the EU budget is always considered for non-compliance.

In case it is suspicion to non-compliance covering suspicion to the criminal act related to operation co-financed from means of the EU budget, the MA OP RDE shall immediately submit the case, within the meaning of Section 8 of the criminal rules, to public prosecutor or police authority.

If the relevant court decides that the criminal act was committed acc. to the criminal code, act on criminal responsibility of legal persons and proceedings against them, and within the same subject it was decided that it is non-confirmed non-compliance or confirmed non-compliance, but its amount is lower than amount corresponding to found violation of the criminal code, the MA OP RDE is obliged to respect the lawful

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<sup>93</sup> Provided it is the administrative offence with non-zero financial impact acc. to Decision of the Commission from 19. 12. 2013 no. C(2013) 9527.

<sup>94</sup> Amount corresponding to significance of the administrative offence means financial impact acc. to Decision of the Commission from 19. 12. 2013 no. C(2013) 9527.

decision of the court and confirm the non-compliance. resp. to increase the quantification to match the significance of the committed criminal act.

## 10. CHAPTER – PROCESSES AND RULES OF REMEDIAL MEASURES

### 10.1 Request for decision review

Request for decision review means expression of dissent with procedure of MA OP RDE, either regarding the formal or material point of view (such as conflict between mandatory procedures and procedure of MA OP RDE in particular subject, non-existing mandatory procedure for MA OP RDE, decrease of expenditure in the request for payment etc.), if the rights of the disputing entity were violated acc. to its opinion.

#### Requests for review can be classified to:

1. Requests for review of the project approval process;
2. Requests for review of notification of MA OP RDE in project within implementation.

#### Examples of requests for notification review:

1. Request for review of administrative verification conclusions;
2. Request for review of payment suspension;
3. Request for review of non-approval of substantial change;
4. and other relevant.

#### 10.1.1 Request for review of project approval process

Results of individual part of the approval process of relevant grant application are stated in IS KP14+, where the grant application is transferred to relevant status after termination of the approval process part. The MA OP RDE informs the applicant on exclusion of the project from further approval process within 10 business days after termination of given part of the project approval via IS KP14+.

Each applicant may submit the request for review of result of given part of the project approval process **within 14 calendar days** from date of delivery of statement on (non-)approval of the grant application from MA OP RDE. The applicant applies the request for review via IS KP14+ or in writing (link to the form of the request for review is published on the web pages of MA OP RDE and also in annex No. 1 Rules for Applicants and Beneficiaries – General section). Deadline for submission of the request for review starts by date following after receiving the statement by the applicant. Day of delivery of the request for review to the granting authority means day, when the MA OP RDE staff receives the internal

dispatch on sending the request for review. Timeliness of written submission is evaluated acc. to registration stamp of the main transport provider. After vain expiration of the above-specified deadline, the applicant has disabled the possibility to submit the request for review against performed part of the approval process; in case of written applying, the granting authority will not take into account the request for review and the evaluation result is considered final.

The applicant is entitled to submit only one request for review after each part of the approval process.

The request for review will be evaluated by the review commission. The review commission shall include 3 members, out of which min. 2 are representatives of MA OP RDE and the third member can be representative of MA OP RDE or external specialist. The commission decides by voting by majority of all present members with the voting right. Result of the dealing is, whether the request for the decision review is found as justified/partially justified/non-justified, and further unique justification of the decision. If the request for decision review was found as justified or partially justified, the MA OP RDE will perform necessary corrective measures, e.g. insertion of the project back to the approval process (in case of fault evaluation), exclusion of the Evaluator from the Evaluator databases (in case of proven prejudice/conflict of interests of the Evaluator).

### **10.1.2 Request for review of notification of MA OP RDE in project in implementation**

Each beneficiary may submit the request for review of notification of MA OP RDE, which occurred within the administration process of the approved project, within **14 calendar days** from date of delivery of the notification of MA OP RDE via IS KP14+. Specified deadline starts by date following receiving of the notification by the beneficiary. Day of delivery of the request for review to the granting authority means day, when the MA OP RDE staff receives the internal dispatch on sending the request for review, or day following delivery of the written submission. After vain expiration of the above-specified deadline the request for review is not considered as valid by the granting authority. The request for review can be applied only in relation to act already performed by the granting authority.

### **10.1.3 Form of submission of the request for review**

The applicant/beneficiary submits the request for review by means of the internal dispatch in IS KP14+ or in writing (on prescribed form published on the web pages of MA OP RDE, sample see annex No. 1 Rules for Applicants and Beneficiaries – General section).

The request for the decision review can be submitted by the applicant/beneficiary only once in particular subject. The applicant/beneficiary cannot submit any other request for review in particular subject against resolution of the request for review.

Mandatory requirements to the request for review:

- It must be focused against particular point/points of the evaluation/decision/notification,
- It must be justified in detail,
- It must be signed by person authorised to act on behalf of the applicant/beneficiary,
- It must be applied in specified deadline.

In case the request for review does not comply with the requirement, MA OP RDE shall refuse it.

#### **10.1.4 Administration of request for review**

Received request for review will be evaluated by the MA OP RDE. Deadline for resolving of the request for decision review by MA OP RDE is determined to 30 calendar days from date of delivery of the request. In more complex cases, the deadline can be extended to 60 calendar days, and the applicant will be notified on this by sending the notification on extension of deadline. All communication between the applicant and MA OP RDE, incl. informing on result of the review will be performed by means of the internal dispatch via MS2014+. In case the request for review is applied by the applicant in writing, further communication between the MA OP RDE and the applicant is performed via MS2014+.

## **10.2 Objection**

Objection against the inspection findings stated in the inspection report means submission of the objection acc. to Section 13 of the inspection rules, by which the beneficiary challenges the change/revision of the conclusion resulting from the public-administration inspection on site (inspection findings) performed by the MA OP RDE.

According to Section 13 of the inspection rules, the inspected person is entitled to submit the objections against inspection findings stated in the inspection report. The inspected person may submit the written and justified objection against inspection findings stated in the inspection report within 15 calendar days from date of the report delivery (if not specified otherwise in the inspection report). Objections, in which it is not

clear, against which inspection finding they are applied, or without proper justification, will be refused as the unjustified. In addition, the objections applied after determined deadline or by non-authorized person, will be also refused. The objections can be resolved also in subsequent administrative proceeding under conditions specified in the inspection rules.

## 11. CHAPTER – INDICATORS OF OP RDE

The indicators serve for monitoring of course and result of the project implementation, specific objectives and priority axes of the programme regarding the determined objectives. **Adherence of the project main objectives is proved by fulfilling of target values of individual indicators.**

The monitoring is performed at the level of project, as well as in sum for the operation program. The result and output indicators are monitored within individual priority axes of the OP RDE. Their scope is specified in the Operation Programme and their complete overview is given on the web pages of MEYS: <http://www.msmt.cz/strukturalni-fondy-1/op-vvv>.

In the grant application, each applicant is obliged to state target, resp. also input values of prescribed output and result indicators of the project and to describe the method of determination of output and target values, incl. the achieving data. The project indicators have key importance in evaluation of the project and subsequently they are defined as part of the legal act on grant award / transfer (see chapter 6.1). The result and output indicators are fulfilled from the project implementation start to date of termination (physical) of the project implementation, if the call does not specify otherwise.

### 11.1 Glossary of terms

#### Classification of indicators acc. to their type

- a) Output indicators – indicators intended to monitor and evaluate the performed measures and activities characterizing particular activity. They provide information of actual outputs of the implementation of individual operations/actions/projects within OP RDE. They are usually expressed in physical units or number of pieces (such as.: 6 00 00 *Total number of participants*, 5 21 00 *Number of supported products*, 2 04 00 *Number of new researchers in supported subjects*). **Each project must feature at least one output indicator.**



b) Results indicators – indicators with direct link to determined objectives. They serve to prove, whether the project/programme objective has been achieved and cover actual effects of the aid. E.g. they contain information on usually middle-term changes due to created outputs, such as increase of the education quality, improving of conditions for research at beneficiaries. The indicators measuring result are important basis for the project control within whole period of its implementation. **Each project must feature at least one result indicator**, if the call or related documentation does not specify otherwise. Eventual links between the output and result indicators are stated in the call.

### Classification of indicators acc. to EC terminology

- a) **Common indicators** are the output and result indicators determined at the European Commission level to aggregation of information in the member state and throughout all EU member states.
- b) **Program-specific indicators** are output and result indicators above the frame of common indicators determined by EK, which form part of the indicator system of the operation programme are anchored in the National numeric code of indicators.
- c) **Milestones** are continuous objectives for priority axes/priorities of the Union, which expresses intended progress planned to specific deadline. For each operation program, the milestones are specified in the text of the program.

Milestones of the OP RDE priority axes

Priority axis	Fund	Code	Indicator name
PO1	ERDF	2 40 00	Number of newly built, extended or modernised research infrastructures and centres of excellence
PO2	ESF	6 00 00	Total number of participants
PO2	ERDF	3 06 00	Purchased information sources
PO3	ESF	6 00 00	Total number of participants

### Values of indicators

a) **Indicator initial value** – the initial value of the result indicator is last available actual value measured before date of physical implementation of the project. At the ESF result indicators, the initial value is generally zero at the project level. At the indicators 5 1610 *Number of children and pupils with needed support measures in the supported organisations*, 5 17 10 *Number of Roma children, pupils and students in supported organisations* and 5 15 10 *Total number of children, pupils and students in the supported organisations* there is however

obligation to determine the initial value of all projects featuring these indicators. The initial value does not change during the project implementation. Initial value of the output indicators is always zero.

**b) Target value** of the indicator – at the project level, the target value is defined as plan of the indicator, to which fulfilment the applicant is obliged, incl. date, to which the value should be achieved. **The grant application must always state the method of determination of the target value.**

**c) Indicator achieved value** – the indicator fulfilment value (during or after completion of (physical) implementation of the project). The achieved value is cumulative data from start of the project implementation, or incremental data acc. to nature of the indicator and its definition. Each value of the indicator is simultaneously related to the achieving date, which must be entered by the applicant/beneficiary/partner acc. to the actual state, i.e. date of the achieved value may not be confused with the date of its entering to IS KP14+.

### **Breakup / breakup rule**

The breakup is division of primary indicator (from project application) to partial indicators, whose fulfilment is notified by the beneficiary within the project monitoring reports. The partial indicators serve to more detailed monitoring of the project implementation. The breakup rule is applied at indicators at the project/programme level. Example is obligation to monitor and exhibit the participants of the project to men and women or monitor and exhibit the implementation territory acc. to region category (distinguishing between the less and more developed regions<sup>95</sup>).

### **Count/counting rule**

The count is reading of the value from inferior indicators to the superior indicator. The count can be performed from one or more inferior indicators. During count, the values of the inferior indicators are primarily detected and they form basis for automatic counting of the superior indicator, .e. it is sum of indicators with different code. The count is performed at the project level on bass of counting rules for individual indicators (not all indicators must be part of the counting rule, i.e. it may not be superior nor inferior indicator). Example is output indicator 5 21 00 *Number of supported products*, to which, within the OP RDE projects, majority of the ESF output indicators not related with the support of persons, are counted (such as 5 31 01 *Number of new study branches focused to praxis*, 5 43 03 *Number of new support tools RDI at regional level*, 5 43 05 *Number of supported partnerships*, 5 49 01 *Number of regional systems*, 5 05 01 *Number of support personal measures in schools* etc.).

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<sup>95</sup> Less developed regions, whose GDP per capita is lower than 75 % of EU average GDP; More developed regions, whose GDP per capita exceeds 90 % of EU average GDP (in CR only Prague capital).

## Indicator attributes

- Indicators **obligatory for selection** – indicator, which the applicant/beneficiary within the project must obligatorily monitor and present.
- Indicators **obligatory for fulfil** – indicators, at which the applicant/beneficiary determines the target value, which is mandatory and its non-adhering is sanctioned. Obligatory objective is fulfilment of the values to the date of completion (physical) of the project implementation stated in the legal act on grant award / transfer between the granting authority and grant beneficiary.
- Indicators **restrictive elective** – from the set of indicators, which are included in the stated group. the applicant/beneficiary will select just one or at least one indicator as specified in the call, resp. in the call documentation.
- Indicators **non-obligatory** – these are indicators, which the applicant/beneficiary voluntarily includes to the grant application. In the indicator it is stated, whether the applicant/beneficiary is obliged to determined its target value.
- Indicators **obligatory bound** – in the project, some of the indicators are monitored „bound “, i.e. in case the applicant selects to monitor the indicator A, it must select also the indicator B, and vice versa. Usually the result and output indicators are bound by this manner.

The set obligation to selection (obligatory for selection, restrictive elective - group and non-obligatory) can be combined with setting of obligation for fulfilment.

Obligation of the applicant/beneficiary to only present the indicators, or obligation to the target value, is determined at individual indicators by MA in the call, resp. in documentation to the call.

## IS ESF2014+

IS ESF2014+ is a system for monitoring of number of participants of the interventions acc. to Annex I to the ESF Regulation. It enables particularly:

- Monitoring of persons supported by the projects OP RDE with maximum use of actual data logged in the MLSA agenda systems, which are supplemented by collection of data from implementers of national individual projects;

– Automatized calculation of indicators related to participants of national individual projects are transfer of achieved values of indicators IS KP14+.

Within the IS ESF2014+, the set of common indicators monitoring the participants of the interventions is stated as so-called **participant card**.

**Trivial support**– limit determining scope of engagement of the participant to get the required effect from the intervention. It is determined by MA OP RDE at the call/call documentation level. The time allocations of individual passed education events of particular person are summed (it is possible to sum up e.g. seminars, workshops, FTT, praxis, fellowships). At the moment of achieving the trivial support limit, the person is included into indicator 6 00 00 *Total number of participants*. Persons, whose support so-far has not exceed the trivial support limit, are not included so-far into the achieved values of the indicator 6 00 00 *Total number of participants*, but must be logged within the IS ESF2014+.

The project must be designed so that educational activities of any supported person in total amounted at least to the minimum threshold of the small-scale aid.

## 11.2 Instructions for applicants

Complete characteristic (type, code, name, definition, measurement unit, output and target value, periodicity) is stated in all indicators for individual levels of the OP RDE

in the National codebook of indicators (NCI) and actual precise definition is available to the applicant on the website of MEYS. **List of indicators of actual call is stated in the call, resp. in related documentation to the call.** MA OP RDE is entitle to limit their number in the call compared to list of indicators stated in NCI in relation to supported activities, however it is not entitled to modify them in any way.

During development of the grant application, the applicant selects all relevant indicators, for which it states planned value, i.e. value, which it is obliged to achieve by the project implementation. The latest possible date for fulfilment of the indicator is date of completion (physical) of the project implementation (if the call does not specify otherwise), which is stated in the legal act

on grant award / transfer. Target values of indicators, which are stated by the applicant in the grant application, must correspond with the text of the grant application (e.g. to values stated in description of individual activities etc.).

The indicators include also set of indicators, at which the beneficiary is not obliged to the target value (without obligation to fulfil), but which must be presented during the implementation (within the OP RDE, these are e.g. indicators 5 16 10 Number of children and pupils with need of support

measures in supported organisations, 2 05 02 Number of researches working in modernized research infrastructures – women). Exact specification is always stated in the call, resp. in related documentation to the call.

Within the call, the MA OP RDE may specify the indicator with obligation of minimum fulfilment rate from the indicator target value to specific date. E.g. Minimum 30% of target value of the indicator 6 00 00 must be presented in Report on project implementation submitted to 31.12.2018.

On basis of recommendations of Evaluators, evaluating/selection committee, the MA OP RDE is entitled to determine to the project also other indicators, to whose fulfilment is the beneficiary subsequently obliged in the legal act on grant award / transfer. It can be e.g. case, when the applicant neglected some of the indicators, but it is able to present it. The legal act on grant award / transfer may be supplemented beyond the grant application only by indicators stated in the call. In addition, on basis of recommendations of Evaluators, evaluating/selection committee, the MA OP RDE is entitled to modify the target value of the indicator stated by the applicant in the grant application.

### 11.3 Instructions for beneficiaries

By issuing of the legal act on grant award / transfer with the granting authority, the indicators stated in the grant application become **obligatory**, their non-adherence can be sanctioned and can result in partial or complete withdrawal of the awarded grant. These sanctions can be applied in case of obligatory values even during the sustainability period, if it is determined. The legal act on grant award / transfer includes tolerances for fulfilment of the target values, incl. quantification of financial sanctions for eventual non-adherence of the target values. If the legal act on grant award / transfer specified the allowed tolerance of the indicator values and such tolerance is kept, the grant amount is not decreased.

The beneficiary is obliged to continually monitor fulfilment of all indicators stated in the legal act on grant award / transfer (for ESF also indicators acc. to Annex I to EC Regulation No. 1304/2013). The achieved values of all these indicators must be presented by the beneficiary in the monitoring report (see chapter 7.1) via IS KP14+. Directly in the form of report on project implementation, the beneficiary indicates achieved values of such indicators, which are not related to the participants. The values are entered in compliance with its logs kept outside the IS KP14+ and supported by needed documentation

(below specified requirements to provability of presented indicator values).

Achieved values of indicators related to the participants are transferred to the Report on project implementation entered in IS KP14+ from the IS ESF2014+, to which the beneficiary records the partial data on participants.

In each monitoring report the beneficiary **fills for each indicator separately the relevant achieved value, date of achieving of the value and description of method of its achievement.**

The beneficiary at all times complies with actual version of the National codebook of indicators and actual summary of indicators of OP RDE published on web of MEYS.

**Value of indicators** – achieved value of the monitored indicator. i.e. cumulative value of particular indicator for actual course of the project. It is recorded cumulatively, i.e. from date of starting of implementation to date of termination of the monitoring period.

In case the beneficiary finds out during the project implementation, that fulfilment of the project indicators is endangered, it is necessary to implement the corrective measures as soon as possible and to solve such situation with the granting authority.

MA OP RDE may, on basis of properly justified **application of beneficiary for substantial change**, decide on decrease, resp. increase the target value of the obligatory indicator stated in the legal act on grant award / transfer of air, or on adding of new indicator.

Exceeding of the indicator value is not considered for the substantial change provided that this change is not related to the substantial change of the budget and does not exceed 15% of original target value of the indicator. Material and non-substantial changes are described in detail in chapter 7.2.

**Description of indicators** – relevant comments to individual indicator, particularly how its was achieved, what are the sources to verify the indicators.

**Presenting of indicators** – presented indicators **must be based on proven records** kept by the project beneficiary (partner). Recording means e.g. profession portfolio of the pedagogue, documents on passing the FTT, reflective reports, product outputs, contracts etc., i.e. the presented values must be proven and verifiable for inspection. Required methods of documenting are stated in specific rules for individual indicators.

On collecting of data needed for documenting of the indicators it is necessary to comply the applicable legal regulations regulating the personal data protection.

Indicators, which must be fulfilled by the beneficiary during the process sustainability, are defined in conditions of the legal act on grant award / transfer (see chapter 6.1).

Retention of documents to prove the indicator values, incl. the participant cards, is controlled by chapter 7.4.

### 11.3.1 Common indicators

- a) For the programmes co-finance by ERDF, the common output indicator are based on annex I to the Regulation No. 1301/2013. Relevant indicators for the OP RDE: 2 04 00 **Number of new research staff in supported subjects**, 2 05 00 **Number of research worker working in modernized research infrastructures** and 2 00 00 **Number of enterprises cooperating with the research institutions**.
- b) For the programme co-financed from ESF, the annex I to the Regulation No. 1304/2013 defines common indicator of output and result, by means of which is monitored the *Total number of participants in interventions* classified to the gender, age, position at the job market, education etc. In compliance with the Regulation on ESF „*the participants means the persons, which have direct benefit from the ESF intervention, who may be identified and requested for characteristics, and to which the particular expenditure are assigned. Other persons are not considered for participants*“.

#### Monitored data on participants

**Partial data before finishing of participation of person in the project:** – Name, surname, birth date and domicile;

- Categorizing of participants acc. to gender (male/female);
- Position of the participant at job market (unemployed, long-term unemployed, inactive persons, who are not in the process of education or vocational training, employed, self-employed, inactive persons - other);
- Category of age group (to 25 years, above 25 years, above 54 years, which are unemployed, even long-term, or inactive, and are not in the educational or vocational training process);
- Maximum achieved education<sup>96</sup>:
  - With completed primary (ISCED 1) or lower secondary (ISCED 2) education;
  - With completed higher secondary (ISCED 3) or post-secondary (ISCED 4) education;
  - With completed tertiary education (ISCED 5 to 8);

<sup>96</sup> Acc. to International Standard Education Classification – ISCED.

<http://www.naep.cz/image/content-management/ISCED%20klasifikace%20vzdelavani.pdf>

- Family background (participants living in households, whose No. member is employed, participants living in households, whose No. member is employed and whose members are also dependant children, participants living in households, between whose members is only one adult person and dependent child, others);
- Type of disadvantage (migrants, participants originating abroad, minorities – incl. marginalized groups, such as Roma<sup>97</sup>, participants with health disability<sup>98</sup>, other disabled persons<sup>99</sup>;
- Homeless or persons excluded from access to boarding;
- Peoples from rural areas<sup>100</sup>.

**Partial data after finishing of participation of person in the project:**

- Inactive participants, which start to search job after finishing of their participation<sup>101</sup>;
- Participants in the educational/vocational training process after finishing of their participation;
- Participants, which obtained the qualification after finishing of their participation<sup>102</sup>;
- Participants employed after finishing of their participation, incl. self-employed;
- Handicapped participants, which after finishing of their participation start to search job, are in the educational/vocational training process, improve their qualification or are employed, also self-employed;

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<sup>97</sup> Persons without authority to permanent domicile in CR, originate from territory beyond CR. belong to some minority, or need special help in the job market due to the language or other cultural problems. In the CR, the national minorities are specified by list in article 3 of the status of the Government Council for National Minorities.

<sup>98</sup> According to Section 67 of the act no. 435/2004 Coll., the category of persons with health disability covers physical persons recognized by the social security body as a) disabled person of third grade, b) disabled person in first or second grade, c) health disadvantageous people. This category also covers physical persons, which were recognized by the CR Employment Office as health disadvantageous people and the decision is still applicable. In case of projects related to the schools and educational institutions, in addition to above-specified classification, the health disabled persons cover also children, pupils and students with health handicap acc. to the Section 16 of the act no. 561/2004 and the Decree no. 73/2005, who need special support during education process due to the handicap. The persons may exhibit several handicaps.

<sup>99</sup> Persons, which are not migrants, minorities or health handicapped, but which require special support in the job market due to its handicap, which is defined and accepted at the national level.

<sup>100</sup> In the Czech conditions, the rural area is generally limited as set of rural municipalities, where the statistic limit for their definition of 3000 inhabitants.

<sup>101</sup> Person, who started to search job, means participant of the project, which is registered in the Employment Office.

<sup>102</sup> It covers persons, which gained certificate on qualification given on basis of formal verification of knowledge, which proved that the participant gained the qualification acc. to standards specified in advance.



– Place of work/study.

Accurate text of the partial indicators to the indicator 6 00 00 *Total number of participants*, incl. code and definitions, is available to the applicant in the overview of indicators at web of MEYS.

**The subject of inspections** (from the MA OP RDE level and other inspection authorities) will not be verification, whether the participant really exhibits the characteristic presented in the participant card (or other declaration / document), on basis of which the beneficiary determined the indicator achieved value.

The beneficiary keeps continuous records in IS ESF 2014+ of all persons engaged in the project and maintain relevant documents from individual events to **prove the length of event**.

If the beneficiary, regarding the supported person, **does not exhibit the partial indicators to the indicator 6 00 00 *Total number of participants*, such person will not be included** to achieved value of the indicator 6 00 00 *Total number of participants*. In spite of this the beneficiary exhibits such supported person in the other indicators of supported persons (such as 5 40 01 *Number of supported employees with university decree*, or 5 40 00 *Number of supported persons – employees in educational area*) and documents successful engagement of the supported person in the project, e.g. by document on passing the course, report from thematic meetings, report from passed fellowship.

### **Other common indicators**

In addition to indicators related to the participants, in compliance with the Annex 1 to the EC Regulation No. EC 1304/2013, the applicants/beneficiaries are obliged, where relevant, to present the indicators 6 20 00 Number of projects performing completely or partly by the social partners or non-government organisations, 6 22 00 Number of project focused to the public administration authorities and public services at the national, regional and local level, 1 01 06 Number of supported micro-enterprises, small and middle enterprises and 6 21 00 Number of project focused to sustainable employability of women and sustainable progress of women in job.

### **11.3.2 Programme-specific indicators**

If the call requires from some of the ESF or ERDF indicator filling of annex to the grant application „**Overview of key outputs to fulfil the project indicators**“, particular output is included only after fulfilment (creation) or all partial outputs specified in the annex. Eventual change

of the plan is controlled by the procedures stated in chapter 7.2.2 Rules for Applicants and Beneficiaries – General section, as substantial change of the project, which does not result in change of the legal act on grant award / transfer.

Within the implementation, the annex „Overview of key output to fulfil the project indicators“ is attached to the Report on project implementation (see chapter 7.1) with list of created partial outputs in the audited (monitored) period. In addition, the beneficiary proves by the affidavit that the original document proving the outputs are saved in the project documentation for the inspection on site. The MA OP RDE may ask the proving of the partial outputs during inspection of the Report on project implementation, resp. in specific rules for particular call.

### **ESF output indicators**

The ESF output indicators of OP RDE are of two types: **supported persons and supported products**.

The **indicators of persons** include e.g. indicator 2 08 06 Number of supported persons involved in the management and implementation of the R&D policy, 2 40 01 Number of supported university staff.

5 43 11 Number of students studying abroad, 5 40 00 Number of supported persons – employees in educational branch (and others) and indicator 6 00 00 total number of participants.

All of these indicators, except indicator 6 00 00, exhibits the supported persons.

**a) Supported person** is any person, who enters the project and receives any form of support related to the education financed from the project budget.

Each person is presented in such amount, how many times he/she was supported in various types of education.

However, the supported person is **never**:

- Person, who received only financial support, i.e. wages, reward for work during project implementation, i.e. both administrative and specialist staff, incl. the „service provider“; such persons can be presented only if they were also the target group, i.e. were educated;
- Person, who visits or register at certain internet portal, without longer, systematic and direct collaboration (this person only visits the internet pages);
- Person, who only receives the leaflet; - visitor of Open Door event;

- Participant of conference on implemented project.

Method of person including:

- If, within one project, the person educates in "x" modules/courses of the other type and/or individual educational module/courses are not linked together, such person is included to the supported persons just "x-times". Typical example covers passing of ICT courses and foreign language course.
- If, within one project, the person educates in "x" modules/courses of the same focus and/or individual educational module/courses are linked together, such person is included to the supported persons just "one times". Typical examples of this situation are various levels of the English language courses, where there is always obligation to pass the previous or lower grade of the English language course.

The supported person is presented, as soon as he/she successfully finishes the support. Conditions of successful finishing of the support of given type must be clearly determined in the project application (e.g. receiving of certificate, completion of fellowship, passing of specific number of educational hours, passing of test, written test, report from thematic meetings, accepting of paper thesis as the course output etc.).

**b)** Indicator 6 00 00 **Total number of participants** is number of persons presented in the indicators of supported persons decreased by repeated support, i.e. each particular person

supported within the project is presented only once. To each of the presented person, the indicators are also presented acc. to annex No. 1 of the Regulation No. 1304/2013 in the participant card. The participant is included at moment, when it fulfils minimum limit of trivial support determined in the call, resp. in the call documentation.

**c)** The **product** indicators include e.g. 5 29 01 *Number of newly created accredited study programmes in the Czech language*, 5 21 04 *Number of products of the advisory and assistance support*, 5 43 03 *Number of new support tools RDI at the regional level*, 5 49 02 *Number of national systems and their components*, 5 43 01 *Number of new project proposals prepared under support of Smart Accelerator etc.*

All product indicators are inferior and are automatically counted to the superior indicator 5 21 00 Number of supported products. This is not project indicator; thus it is not available for the beneficiary. Nevertheless, this counting rule shows that one particular created product cannot be presented in more indicators to prevent repeated counting into the superior indicator.

Supported products OP RDE can be of material or non-material nature. The non-material products cover particularly the provided services and created systems, as well as implemented events.

Quality of created products is evaluated by the granting authority, mainly regarding the view, whether the paid financial means correspond with the product quality.

In case that within the project a product is created, which represents subsequent stages of one process or one output, then it is counted only highest stage of the process and/or output.

### **ESF result indicators**

All result indicators must be firstly presented at least in the last but one Report on project implementation, if the call or related documentation does not specify otherwise. Their final achieved value is presented and documented in the last Report on project implementation.

All results of the research and development projects presented within the ERDF indicators must be in database Thomson Reuters Web of Science or Scopus (and also in RIV) recorded in a way showing their link to the projects from OP RDE.

## **11.4 Sanctions due to fault of beneficiary**

The legal act on grant award / transfer obligates the beneficiary to fulfil the indicators, incl. specific sanctions for their non-fulfilment. Sanctions can be specified also for the sustainability period. Particular amounts of sanctions are specified in relevant legal act on grant award / transfer.

The sanctions are specified separately for the output, result indicators, and limestones, and the individual sanctions are summed up.

If, on the basis of the legal act on grant award / transfer, the beneficiary has set the obligatory target value for more output and/or result indicators, the non-fulfilment rate of the obligation will be calculated as average of percent achieved values separately for the output and result indicators. But exceeding above 100 % is always counted only as 100 %.

Milestone (one of the output indicators) is evaluated separately and thus is not counted to the calculation of output average.

### **Example of set sanctions**

#### **Variant A (for project including milestone)**

Fulfilment rate of the <b>output</b> indicators regarding the data stated in the legal act	Deduction amount
at fulfilling of output average below 35 %	Payment at decided level breach of discipline regardless the results and milestones
at fulfilling from 35 to 85 %	Decreased payment from total grant level acc. to equation : $x = (85 - n) \times 0.7$
at fulfilling to min. 85 %	Not considered for suspicion to the breach of discipline

x = deduction amount (%)

n average fulfilment percent of outputs

Fulfilment rate of the <b>result</b> indicators regarding the data stated in the legal act	Deduction amount
at fulfilling of result average below 40 %	Payment at decided level o breach of discipline regardless the results and milestones
at fulfilling from 40 to 90 %	Decreased payment from total grant level acc. to equation : $x = (90 - n) \times$
at fulfilling to min. 90 %	Not considered for suspicion to the breach of discipline

x = deduction amount (%)

n average fulfilment percent of results

Fulfilment rate of the <b>milestone</b> indicators regarding the data stated in the legal	Deduction amount
at fulfilling of milestone below 65 %	Payment at decided level ○ breach of discipline regardless the results and outputs
at fulfilling from 65 to 95 %	Decreased payment from total grant level acc. to equation : $x = (95 - n)$
at fulfilling to min. 95 %	Not considered for suspicion to the breach of discipline

x = deduction amount (%)  
n average fulfilment of milestone

#### **Variant B (for projects without milestone)**

Fulfilment rate of the <b>output</b> indicators regarding the data stated in annex No. 4	Deduction amount
at fulfilling of output average below 35 %	Payment at decided level ○ breach of discipline regardless the results
at fulfilling from 35 to 85 %	Decreased payment from total grant level acc. to equation: $x = (85 - n)$
at fulfilling to min. 85 %	Not considered for suspicion to the breach of discipline

x = deduction amount (%)  
n average fulfilment percent of outputs

Fulfilment rate of the <b>result</b> indicators regarding the data stated in annex No. 4	Deduction amount
at fulfilling of result average below 40 %	Payment at decided level ○ breach of discipline regardless the outputs
at fulfilling from 40 to 90 %	Decreased payment from total grant level acc. to equation : $x = (90 - n)$
at fulfilling to min. 90 %	Not considered for suspicion to the breach of discipline

x = deduction amount (%)

n average fulfilment percent of results

## 12 CHAPTER –PROCUREMENT PROCEDURE

- 1) This chapter specifies Public Procurement Rules, which are obligatory for contracting authorities co-financed from OP RDE.
- 2) The Public Procurement Rules relate to all contracting authorities co-financed from OP RDE. If the contracting authority during procurement procedure violate the conditions determined by Public Procurement Rules or conditions determined by Public Procurement Act, such violation will be evaluated under conditions of the issued legal act on grant award / transfer as non-compliance with potential impact to eligible expenditure related to the relevant contract, eventually also as breach of discipline, and it may result in non-payment of part of the grant up to level of 100 % of amount used for financing of the contract.
- 3) Main goal, intent and purpose of Public Procurement Rules is adhering to the principles of transparency, equal treatment and non-discrimination during procurement procedure, as well as ensuring of efficiency, economy and purposefulness (hereinafter referred to as „3E principles“) of expenditure paid from the public sources by means of the OP RDE, as well as prevention and minimizing of risk of providing the non-allowed state aid and other risks related to the project implementation. Within the meaning, the Public Procurement Rules will be interpreted by the MA OP RDE.

### 12.1 APPLICABILITY OF PUBLIC PROCUREMENT RULES

- 1) Contracting authorities, which are public or funded submitters acc. to Section 2 par. 2 and 3 Public Procurement Act, are obliged to place the contracts of the small value by procedures regulated by sections 12.2 and 12.3 of Public Procurement Rules, if not specified otherwise. The contracting authorities are not obliged to submit these procedures for contracts of small value adhering the conditions for use of exception specified in Section 18 par. 1 to 4 of Public Procurement Act or condition for use of the routine proceedings without publication acc. to Section 23 of Public Procurement Act, however the principles specified in point 12.2.1 of Public Procurement Rules must be adhered to.
- 2) The contracting authorities, which are sector contracting authorities acc. to Section 2 par. 6 of Public Procurement Act, are obliged to place the contracts of small value and contracts of higher value, whose presumed value does not achieve the financial limit for sector contracting authorities acc. to the Government Decree No. 77/2008 Sb., on determination of financial limits for purposes of Public Procurement Act, as subsequently amended, by the procedures specified in sections 12.2 and 12.3 of Public Procurement Rules, if not specified explicitly otherwise. The contracting authorities are not obliged to submit these procedures for contracts of small value and contracts of higher value not achieving the specified financial limit adhering the conditions for use of exception specified in Section 18 par. 1 to 19 of Public



Procurement Act or condition for use of the routine proceedings without publication acc. to Section 23 of Public Procurement Act, however the principles specified in point 12.2.1 of Public Procurement Rules must be adhered to.

- 3) The contracting authorities, which are not contracting authorities acc. to Public Procurement Act, are obliged to place the contracts of small value and the contracts of higher value by procedure specified in sections 12.2 and 12.3 Public Procurement Rules, if not specified explicitly otherwise. The contracting authorities are not obliged to submit these procedures for contracts of small value and contracts of higher value adhering to conditions for use of exception specified in Section 18 par. 1 to 4 and Section 19 of Public Procurement Act or condition for use of the routine proceedings without publication acc. to Section 23 of Public Procurement Act, however the principles specified in point 12.2.1 of Public Procurement Rules must be adhered to.
- 4) The contracting authorities are not obliged to use the procedures specified in the Public Procurement Rules for procurement procedures of small value, whose presumed value is lower than 400 000 CZK VAT excl., or lower than 500 000 CZK VAT excl. in case that the contract is placed by the contracting authority, which is not public or sector contracting authority acc. to Section 2 par. 2 and 6 Public Procurement Act, and at the same time the grant provided to such contract does not exceed 50 %. In these cases the contracting authority may decide on direct purchase or direct contract of the required performance. This provision does not exclude the obligation of the contracting authority to proceed in compliance with principles specified in the point 12.2.1 of Public Procurement Rules and obligation to determine the presumed value in compliance with points 12.2.5 and 12.2.6 of Public Procurement Rules.
- 5) The contracting authorities are not obliged to use the procedures specified in Public Procurement Rules for procurement procedure of small value for services and deliveries in cases, where such contracts were placed as long-term ones, not only for individual project, but for standard activities of the submitter, if the price of contracts complies to prices usual at the time and place, the contractual terms are not modified due to the project and in addition the contracts were placed at least 6 months before date of physical implementation of project financed from OP RDE, or before putting the grant application from OP RDE, and applies the earlier date.
- 6) The contracting authorities may place the contracts of small value or contracts of higher value acc. to stricter procedures than the conditions specified in Public Procurement Rules, incl. placing of such contracts in the procurement procedure proceeding acc. to Public Procurement Act.
- 7) Section 12.4 of Public Procurement Rules (Inspection of selection and contract proceedings) applies to all contracts co-financed from OP RDE regardless the type of contracting authority or presumed value of the contract, if not specified explicitly otherwise.

8) Annex No. 6 Rules for Applicants and Beneficiaries (Trade terms of contracts for construction works) is obligatory of all contracting authorities and applies always at procurement procedure to the construction works without regard to their presumed value.

## 12.2 General provisions

### 12.2.1 Procurement procedure principles

- 1) When placing a contract, the contracting authority is obliged to adhere to the principles of transparency, equal treatment and non-discrimination.
- 2) The contracting authority may not limit the participation in the procurement procedure proceeding to suppliers, which are based or headquarters in other EU member state. The contracting authority is obliged to adhere to the rules and principles of the The Treaty on the Functioning of the European Union. These principles cover free movement of goods, free movement of services, non-discrimination, equal treatment, transparency, proportionality and mutual recognition.
- 3) Acc. to Financial control act in the public administration, the contracting authorities must in handle with the public means in compliance with rules of economy, efficiency and purposefulness.

### 12.2.2 Type of contract acc. to subject

- 1) The contracts are divided acc. to subject to contracts for procurement of goods, construction contracts, or services contracts.
- 2) Contract for procurement of goods is a contract, whose subject is acquisition of an item („goods“), particularly by purchase, purchase with instalments, hiring or tenement of the goods, or hiring or tenement of goods with right of subsequent purchase (leasing). In addition, the contracts for procurement of goods can include contracts, whose subject is, aside from provision of goods acc. to previous sentence, also procurement of service or construction works covering location, assembly or commissioning of such goods, if it is not implementation of construction, unless the activities are not main purpose of the contract, but are necessary to fulfilment of the contract for procurement of goods.
- 3) Construction contract is contract with following subjects

- a) Implementation of construction work related to some of the activities stated in the annex No. 3 to Public Procurement Act,
- b) Implementation of construction works acc. to letter a) and related design or engineering activity; or
- c) Implementation of construction, which is result of the construction or assembly works, resp. also related design or engineering activity, and which as a whole able to fulfil separate economical or technical function.

The construction contract is also the contract, whose subject is, in addition to fulfilment acc. to letter a) to c), also provision of deliveries or services necessary to implementation of the order by the supplier.

The construction contract is also the contract of construction works acquired with use of mediating or similar services provided to the contracting authority by a third person.

- 4) Services contract is a contract, which is neither a contract for procurement of goods nor construction contract. The contract for services is also a the contract, whose subject is, in addition to provision of services, also
  - a) Contract for procurement of goods acc. to par. 2, if the presumed value of the provided services exceeds presumed value of delivered goods; or
  - b) Construction contract acc. to par. 3 letter a) to c), if the construction works are not main purpose of the contract, but their implementation is necessary for fulfilment of the contract for services.

### 12.2.3 Type of contract acc. to presumed value

- 1) For purposes of the Public Procurement Rules, the contracts are classified acc. to presumed value to the contracts of
  - a) small value and
  - b) higher value.
- 2) The contract of small value is the contract, whose presumed value does not achieve 2 million CZK VAT excl. in case of the contract for procurement of goods and/or services, or 6 million CZK VAT excl. in case of a construction contract.

- 3) The order of higher value is contract for procurement of goods and/or services, whose presumed value is at least 2 million CZK VAT excl.  
The contract of higher value is construction contract, whose presumed value is at least 6 million CZK VAT excl.

#### **12.2.4 Determination of contract subject**

- 1) The contracting authority determines the subject of one contract in such manner, that the subject of the one contract is (are):
- a) all deliveries, whose subject form one functional unit, or
  - b) all similar and related deliveries, where the related deliveries are the ones related mutually regarding the place, subject or time.
- 2) On determination of the order subject, its is not possible to specify in the procurement procedure terms the requirements or references to the trade companies, names and surnames, specific identification of goods and services, which apply significantly for particular person, or its state organisation unit, patents for inventions, patterns, trademarks or identification of origin, if it could lead to preference or excluding of certain applicants or particular products.

Such reference may be exceptionally admitted, if

- a) its non-usage would prevent clear and precise determination of the order subject, but the contracting authority itself must explicitly enable in the procurement procedure terms usage of other, qualitatively and technically similar solutions for the order delivery, or
- b) it is construction contract and its specification does not lead to unjustified limitation of the economic competition, and in such case the contracting authority itself explicitly enables in the procurement procedure terms usage of other, qualitatively and technically similar solutions for the delivery, or
- c) the subject of delivery would be incompatible with the equipment or systems already used and their adoption would result in extreme difficulties for the operation of the contracting authority; in such case the contracting authority can in the procurement procedure terms specify the delivery subject in more details.

- 3) Facts stated in the previous paragraph must be proven by the contracting authority on request of the MA OP RDE.

#### **12.2.5 Determination of presumed value of contract**

- 1) Presumed value of the contract means the presumed amount of financial obligation arising for the contracting authority resulting from the contract fulfilment. The contracting authority is obliged to determine the presumed value of the contract for purposes of the procedure in the

procurement procedure proceeding before its start. In determination of the contract presumed value, the decisive is always price without VAT, i.e. price to the day of start of the procurement procedure proceeding.

- 2) In determination of the contract presumed value, the contracting authority is based on information data and information on contracts of the same or similar delivery subject or on data / information gained by the market research with requested performance subject, or information gained by other suitable method.
- 3) In case the contracting authority intends to conclude the contract for indefinite term or to term, whose duration cannot be precisely specified, it is obliged to determine the contract presumed value on basis of presumed amount of the financial obligation for 48 months.
- 4) On request of MA OP RDE, the contracting authority is obliged to prove the method of determination of presumed value of the contract.

### 12.2.6 Splitting of the contract subject

- 1) The contracting authority shall not split the contract subject to decrease the presumed value below the financial limits determined in Public Procurement Act/Public Procurement Rules and to place the contract by other (less strict) procedure as compared to the total presumed value.
- 2) On determination of the presumed value the contracting authority is obliged to add up the presumed values of similar, related deliveries or services, which it intends to acquire during the accounting period. It does not apply to deliveries and services, whose unit price varies during the accounting period<sup>103</sup> and the contracting authority acquires the deliveries or services repeatedly acc. to actual needs.
- 3) The contracting authority is not obliged to sum up the presumed values of contracts, which will be acquired „at random“, acc. to completely current needs of the contracting authority, which cannot be objectively anticipated (such as contract placed in extreme emergency cases as result of unpredictable damages and loss of certain material values etc.).
- 4) In doubts whether the contracting authority adhered to the obligations specified in the previous paragraphs, the burden of proof lies with the contracting authority.

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<sup>103</sup> The accounting period is defined by Section 3 par. 2 of the act no. 563/1991 Coll. on accounting as subsequently amended.

## 12.3 Procurement procedure for contracts of small value and higher

### 12.3.1 Types of procurement procedures

- 1) The contracting authority can place the order:
  - a) on basis of a closed call for bids, if it is a contract of small value,
  - b) on basis of open call, or
  - c) on electronic marketplace.
- 2) In placing of the order on basis of the closed call. the contracting authority invites in writing at least three applicants to place bids. The contracting authority invites only such applicants, about which it knows, that they are eligible to place the bid, to fulfil all requirements of the contracting authority and to fulfil requested delivery. The contracting authority shall not invite repeatedly the same set of applicants, unless it is justified by the contract subject or other special circumstances, resp. cancellation of previous procurement procedure.
- 3) In case of open call, the contracting authority announces, in open call to unlimited number of suppliers, its intent to place the order in this procurement procedure. The open call notification is an invitation to the suppliers to submit their bids. The open call announcement must be published by the contracting authority for the whole time period for submitting of bids on the contracting authority profile.
- 4) If enabled by the order subject, the contracting authority may place the order at the electronic marketplace. If the government resolution obliges the contracting authority to place the orders by means of the electronic marketplace, it is obliged to fulfil such resolution. Placing of the order on the electronic marketplace is performed by the contracting authority in compliance with the rules for the electronic marketplace, and in such case the provisions of Public Procurement Rules regulating procurement procedure are not applied<sup>104</sup>. However, the principles specified in point 12.2.1 of Public Procurement Rules must be complied.
- 5) Orders for additional construction works or services, whose need arisen due to circumstances, which cannot be anticipated by the contracting authority with proper care and which are necessary for implementation of the original order for the services or construction works, they may be placed to the actual supplier provided, that additional construction works or additional services cannot be technically or economically

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<sup>104</sup> Detailed information to the electronic marketplace see e.g.  
<http://www.portal-vz.cz/cs/Informacni-systemy-a-elektronicke-vzdelavani/NIPEZ-EI-trziste-verejne-spravy>.

separated from the original order, if such separation would result in significant harm to the contracting authority, or in spite of the fact that such separation is technically or economically possible, the additional construction works or additional services are completely necessary for finishing of the subject of the original order, and in addition the total scope of the additional construction works or additional services does not exceed 50 % of original order price.

### 12.3.2 Contractual terms

- 1) Invitation for submitting the bids or notification of open call (hereinafter referred to as „notification“ at commencement of the procurement procedure“) must include at least:
  - a) Identification data of the contracting authority<sup>105</sup>,
  - b) Name of the contract,
  - c) Information, whether its is procurement procedure acc. to Public Procurement Act,
  - d) Type of contract (delivery of goods, construction, services),
  - e) Description of the contract subject in details necessary to process the bid,
  - f) Time and location of contract fulfilment,
  - g) Basic evaluation criterion, which is lowest offered price or economical advantage of the bid,
  - h) Method of evaluation of the bids acc. to specified evaluation criteria,
  - i) Conditions and requirements for elaboration of the bid (what data related to the contract subject and its implementation should be specified by the applicants to enable to the contracting authority to evaluate the compliance of the bid with the contract terms),
  - j) When it is the contract of higher value, requirement to submit the draft contract for implementation of the contract, if the draft contract is not part of the contract terms,

<sup>105</sup> Identification data means trade company or name, headquarters, identification number, if assigned, and if it is a legal person and business company or name and surname, place of operation, resp. permanent domicile, identification number, if assigned, if its is natural person.

- k) Requirement to processing method of the offered price,
- l) Requirement to variants of bids, if allowed by the contracting authority,
- m) Deadline and place for submission of the bid,
- n) Information on provision of additional information in compliance with section 2.3.4 Public Procurement Rules.

2) The contractual terms may include particularly:

- a) Requirements to prove the participant qualification fulfilment, if the contracting authority specifies the qualification prerequisites,
- b) Business terms, including payment terms, or binding draft contract
- c) Requirement to specification of the part of the contract, which the supplier intends to assign to one or more subcontractors, incl. identification data of each subcontractor.

3) Basic evaluation criterion for placing the order is:

a) lowest offered price, or

b) economic advantage of the bid; in such case the contracting authority determines always the partial evaluation criteria to be related to the contract implementation and express the relation of the use value and price; the partial evaluation criteria may be particularly offered price, quality, technical level of offered delivery, aesthetic and functional characteristics, properties of the performance related to the influence to the environment, effect to employment rate of persons with health handicap and persons with limited access to the job market, operating expenses, cost return rate, warranty and post-warranty service, securing of deliveries, delivery deadlines or completion term, as well as organisation, qualification and experience of persons engaged in the implementation of the public order, if they significantly affect its performance; the partial evaluation criteria cannot be qualification prerequisites, contractual terms, whose purpose is ensuring of obligations of the supplier, or payment terms.

4) If the contracting authority determines in the contract terms the qualification prerequisites for implementation of the contract, it is obliged to limit the scope of required qualification only to information and document directly related to the contract subject, and is not entitled to determine such qualification prerequisites, which could lead to substantial limitation of the economic competition and which could be replaced, regarding the needs of the contracting authority, with specification of corresponding contract terms. The contracting authority is



obliged to determine reasonable method for documenting of fulfilment of the qualification regarding other contract terms, mainly regarding the length of the deadline to submit the bids.

- 5) All document containing the contract terms must include data of binding publicity in compliance with chapter 17.

### **12.3.3 Deadline to submit the bids**

- 1) Length of deadline for bids submission must be determined with regard to the order subject.
- 2) Deadline to submit the bids starts:
  - a) in case of contract closed on basis of a closed call, on the day following after date of submission of the call for bids to the applicants;  
or
  - b) in case of contract closed on basis of an open call, by the day following the date of publishing of the announcement of open call on the contracting authority profile.
- 3) Deadline to submit the bids cannot be shorter than:
  - a) 10 calendar days for small value contracts,
  - b) 15 calendar days for contracts of higher value,
  - c) 35 calendar days for orders of higher value, whose presumed value achieves at least financial limit for sector contracting authorities acc. to the Government Decree No. 77/2008 Coll. determining the financial limits for purposes of Public Procurement Act as subsequently amended.

If the last day of deadline to submit the bids falls to the Saturday, Sunday or bank holiday, the contracting authority is obliged to determine the last day of the deadline to following business day.

#### **12.3.4 Additional information and modifications of contract terms**

- 7) The supplier is entitled to request additional information regarding the contract terms from the contracting authority in writing. The written request must be delivered to the contracting authority at least 6 business days, and in case of contract of the small value at least 4 business days, before expiration of the deadline for bids submission.
- 8) The contracting authority attaches the additional information to the contract terms, resp. related documents, at least 4 days, and in case of contract of the small value at least 2 business days, after delivery of the request acc. to the previous point.
- 9) Additional information, incl. precise text of the request acc. to the par. 1, must be sent by the contracting authority at the same time to all applicants, which were invited within the closed call, or it published them by the same method, as the open call notification.
- 10) The contracting authority may provide the additional information also without any request. The paragraphs 2 and 3 apply similarly.
- 11) If the contracting authority performs (by means of additional information) modification of the contract terms, it must reasonably extend the deadline for bids submission based on nature of the performed modification. In case the modification of the contract terms is such that it can extend the scope of potential suppliers, the contracting authority will extend the deadline in a way, that it must be whole original length of the deadline for bids submission from the moment of the modification.

#### **12.3.5 Bids negotiation**

- 1) The contracting authority can reserve in the contract term that it shall discuss the submitted bids with the applicants. In such case the notification on start of the procurement must state:
  - a) Method and principles of dealing with applicants regarding bids,
  - b) Method of selection of the applicants to further stage of the proceeding, if the contracting authority decides to gradually decrease the number of applicant acc. to par. 8, whose bids will be discussed in individual stages.
- 2) After opening of envelopes with bids and after evaluation and evaluation of the bids acc. to section 12.3.7 of Public Procurement Rules, the contracting authority announces in writing to all applicants, whose bids have been evaluated and have not been excluded, the preliminary result of evaluation of the bids. At the same time with the notification on preliminary result of evaluation of bids, the contracting authority in writing invites the applicants to first bid negotiation and states the time, place and language of the negotiation.

- 3) The contracting authority is entitled to deal with the applicants on all terms of the performance included in the bids, particularly on conditions, which are subject of the evaluation. The contracting authority is not entitled to modify the contract terms during dealing on the bids.
- 4) The contracting authority may assign the dealing on the bids to the evaluation committee, some of its members or authorised person.
- 5) During the bids negotiation, the contracting authority is not entitled to communicate to the applicants the data related to bids of other applicants without previous approval of such applicant, except the actual bid price and other figures decisive for the evaluation.
- 6) The contracting authority may negotiate the bids with all participants individually or simultaneously.
- 7) The contracting authority compiles record from each bids negotiation with specification of all provisions, which can result in change of the offer or draft contract (hereinafter referred to as "meeting record"). The meeting record is signed by the contracting authority and applicant(s) participating in the bids negotiation.
- 8) After each stage of the bids negotiation, the contracting authority determines on basis of the negotiation results the order of the applicants. The order of the applicants is determined by the contracting authority on basis of evaluation criteria, always in use of all evaluation criteria. The contracting authority is obliged to compile a report on determination of order of applicants with results of evaluation of the bids negotiation, order of applicants and information, with which applicants it will further deal in the next stage (hereinafter referred to as „report on final evaluation result“). Without improper delay, the contracting authority is obliged to send a report on final evaluation result to all participants, with which it negotiated at the particular stage.
- 9) Before any stage of bids negotiation, the contracting authority may notify the applicants that it is the last bids negotiation, and the contracting authority may also agree on this in writing on this fact with all applicants at any time.

### **12.3.6 Opening of envelopes, assessment and evaluation of bids**

#### **A. Common provisions**

- 1) Opening of envelopes, evaluation and evaluation of bids is performed by:
  - a) contracting authority, or
  - b) evaluation committee nominated by the contracting authority, or

- c) other person authorised by the contracting authority (hereinafter referred to as „authorised person“); this procedure is possible only for closing contracts of small value.
- 2) The evaluation committee shall have at least three members. Majority part of the evaluation committee members must be present at opening the envelopes and at each meeting of the evaluation committee. The evaluation committee decides by majority of votes of present members. The contracting authority may assign also substitutes for members of the evaluation committee.
- 3) The report is elaborated on opening of envelopes, evaluation and evaluation of the offers, and the report must include at least
- a) List of recommended bids, incl. identification data of the participants,
  - b) List of applicants invited to amendment/explanation of the bids, if invited,
  - c) List of excluded bids and justification of the bids exclusion, if excluded,
  - d) Description of method and justification of evaluation of the bids, if the economic advantage of the offer is the evaluation criterion,
  - e) Result of evaluation.

The protocol is signed by all present members of the evaluation committee, resp. contracting authority or person authorised by it.

## **B. Opening of envelopes and bids submitted in electronic form**

- 1) The envelopes shall not be opened before expiration of deadline to bids submission. Only envelopes delivered within the deadline of bids submission are opened.
- 2) Opening of the bid submitted in electronic form means making its content available. The bids submitted in the electronic form shall not be available before expiration of deadline to submit the bids. Only bids submitted within the deadline to submit the offers and signed by secured electronic signature are made available.

## **C. Assessment and evaluation of bids**

- 1) Persons assessing and evaluating the bids shall not be in prejudice in relation to the order and applicants and must keep confidentiality on the facts they will know during evaluation and evaluation of the offers. Before evaluation and evaluation of the offers, they must confirm their non-prejudice and obligation of confidentiality by means of the Affidavit.

- 2) Upon opening of the envelopes the contracting authority, evaluation committee or authorised person will evaluate the offers. The evaluation of offers is based on evaluation, whether the offers are elaborated in compliance with the order terms.
- 3) If the offer is found to be unclear or incomplete, the applicant can be invited to its adding or explanation. Adding or explanation may not result in modification of the offered price and/or information, which are subject to the evaluation. In case the applicant fails to add or explain the offer in reasonable deadline, resp. if the contracting authority does not waive the late adding or explanation, such offer must be excluded.
- 4) Bids, which do not comply with the order terms, must be excluded. The applicant must be immediately notified in writing on exclusion of the offer. The contracting authority may proceed acc. to point 12.3.9 par. 2 of Public Procurement Rules.
- 5) Evaluation of the bids is performed by the contracting authority, evaluation committee or authorised person acc. to evaluation criteria specified in the order terms. The economically most advantageous bid or bid with the lowest offered price is assessed as the most suitable bid. Evaluation of the bids may be performed before their evaluation, and in such case it is necessary to evaluate the bid, which was submitted by the applicant, which whom a contract should be concluded. This fact must be stated in the report on opening of envelopes, evaluation and evaluation of the offers.
- 6) The contracting authority will decide on new evaluation and evaluation of the offers, if its finds out, that the evaluation committee or authorised person failed to adhere to the procedure specified in Public Procurement Rules. For new evaluation and evaluation of the bids, the contracting authority may appoint other evaluation committee, or assign other authorised person, resp. may perform the new assessment and evaluation by itself.
- 7)

### **12.3.7 Completion of procurement procedure, conclusion of contract with the supplier**

- 1) The contracting authority is entitled to conclude the contract only with such applicant, whose bid was evaluated as the most suitable bid (hereinafter referred to as „selected applicant“). The contract must be concluded in compliance with contract terms and selected bid.
- 2) In case the selected applicant refuses to close the contract or does not provide necessary collaboration, the contracting authority may conclude the contract with participant, which is second in the order. Procedure acc. to previous sentence may be repeated for applicant, which is third in the order. The insufficient collaboration means fact that the selected applicant does not response in No. way (i.e. in writing

of electronically) to requests of the contracting authority. In case the applicant did not provide the contracting authority with sufficient collaboration, the contracting authority will prove this fact by means of an affidavit.

3) The contracting authority shall not conclude the contract with the applicant:

- a) If the bid of the applicant was elaborated with engagement of the contracting authority's employee, member of the statutory body, statutory body, Managing Authority member, project implementation team member or person, who was on basis of a contractual relation engaged in the procurement procedure,
- b) with an applicant in a consortium, who is employee of the contracting authority or member of the implementation team or person, who was on basis of the contractual relation engaged in the procurement procedure, or
- c) whose subcontractor is employee of the contracting authority or member of the implementation team or person, who was on basis of the contractual relation engaged in the procurement procedure,
- d) To which the restriction to performance of the public procurement procedure was given in compliance with Section 120a par. 3 Public Procurement Act and is recorded in the registry of persons with restriction to perform the public procurement procedures.

4) The contract must be in writing and must contain at least:

- a) Identification of contractual parties, incl. company ID and VAT ID, if assigned,
- b) Contract subject (detailed in quantities and qualities),
- c) Price VAT excl., VAT incl. and VAT separately, resp. text that the supplier is not registered for VAT,
- d) Payment terms,
- e) Delivery time and place,
- f) Stipulation on obligation of the supplier to cooperate during inspection acc. to the Financial control act,
- g) Other formal requirements of legal act acc. to the Civil Code,

5) The contracting authority shall not enable substantial change of rights and obligations resulting from the contract concluded to the order performance. Substantial change is such change, which would:

- a) Extend the subject of the public procurement procedure, this does not affect the provision of point 12.3.1 par. 5 of Public Procurement Rules,
- b) Enable participation of other suppliers, if it was used in original procurement procedure,
- c) Enable affecting of selection of the most suitable bid, if it was used in original procurement procedure, or
- d) Change the economic balance of the contract in favour of selected applicant.

### **12.3.8 Cancellation of procurement procedure**

- 1) The contracting authority is entitled to cancel the procurement procedure, however to the conclusion of the contract at the latest. The contracting authority is obliged to notify all applicants submitting the offer within deadline to submit the offers on cancellation of the procurement procedure.
- 2) Without improper delay, the contracting authority will notify the information on cancellation of the procurement procedure by the same method, as was used at the start of the procurement procedure.

### **12.3.9 Providing of information to applicants**

- 1) All applicants submitting the bids within the deadline for bids submission, and whose bid was not excluded from the procurement procedure, must be informed on result of the procurement procedure without improper delay. Notification on result of the procurement procedure must include identification data of applicants, whose offer was evaluated, and result of the offer evaluation, from which the order of the offers is clear. Notification on result of the procurement procedure must be sent in writing, either by letter, or electronically.
- 2) If the contracting authority reserved it in the notification on procurement procedure, it may publish the notification of result of the procurement procedure and eventual notification on exclusion of the offer by the same method, as s was used at the start of the procurement procedure. In such case, the notification on result of the procurement procedure and eventual notification on the bid exclusion is considered delivered to all relevant applicants by time of the publishing.

## 12.4 Inspection of selection and procurement procedures

### 12.4.1. Obligations of contracting authority to retain documentation

- 1) The contracting authority is obliged to keep contract documentation and records on acts related to the procurement procedure. Contract documentation means the compilation of all documents in paper or electronic form, whose acquisition during the procurement procedure, resp. after its completion, is required by Public Procurement Rules.
- 2) For purpose of verification of correct proceeding of the contracting authority in the procurement procedure by the methods regulated in Public Procurement Rules, particularly following documents will be required by the inspection acc. Financial Control Act:
  - a) Contract terms specifying the contract subject, incl. documents proving their submission or publication;
  - b) Additional information, if provided, incl. eventual requests for them and documents proving their heir submission or publication;
  - c) Bids submitted by the applicants, incl. eventual explanation or amendment;
  - d) Report on opening of envelopes, evaluation and evaluation of the bids signed by relevant persons;
  - e) Contract concluded with selected supplier, incl. all eventual annexes;
  - f) Notification on result of the procurement procedure sent to all applicants, which submitted the bid within the deadline for bid submission, whose bid was not excluded, incl. documents proving their sending, if the notification was not published in compliance with 12.3.9 par. 2 of Public Procurement Rules;
  - g) Notification of exclusion of the bid, if any offer was excluded, incl. documents proving their sending, if the notification was not published in compliance with 12.3.9 par. 2 of Public Procurement Rules;
  - h) Assignment of authorised person or evaluation committee, if assigned, incl. Affidavit on their non-prejudice.
- 3) For purpose of verification of correct procedure of the contracting authority in issuing of the order by the procedures regulated in Public Procurement Act, particularly following documents within Section 155 Public Procurement Act will be required in the inspections acc. to Financial control act:
- 4) In inspection of order with presumed value lower than 400 000 CZK VAT excl., or lower than 500 000 CZK VAT excl. in case that the contract is closed by the contracting authority, which is not public or sector contracting authority acc. to Section 2 par. 2 and 6 Public Procurement Act, and at the same time the grant provided to such contract does not exceed 50 %,



the submitted accounting documents will be inspected. In addition to the accounting documents, the contracting authority may prove the implementation of direct purchase also by written order for performance or by contract, if it was concluded. In this case, the accounting document is the decisive one for the inspection. This does not affect the provision of par. 3.

4) Time, for which the contracting authorities must keep all original document related to closing and implementation of the contract, is specified in the legal act on grant award / transfer or in binding legal regulations regulating the area of procurement, however min. 10 years from financial completion of the project, but also min. to 31. 12. 2026. Retention of documents see chapter 7.4 of Rules for Applicants and Beneficiaries.

## **12.4.2. Ex-ante inspection of selection and procurement procedures**

### **A. Ex-ante inspection before the start of procurement procedure**

1) Contracting authority, which intends to close:

- a) Over-limit public contract in the public procurement procedure proceeding acc. to Public Procurement Act (except the public procurement procedures specified in par. 2), or
- b) Below-limit public contract in procurement procedure without publication for reasons acc. to Section 23 par. 7 letter a) and b) Public Procurement Act, or
- c) Below-limit or over-limit public contract in procurement procedure without publication acc. to Section 23 par. 4 letter a), par. 5 letter a) and letter b) Public Procurement Act, or
- d) Contract of higher value, whose presumed value exceeds at least financial limit for sector contracting authorities acc. to the Government Decree No. 77/2008 Coll. determining the financial limits for purposes of Public Procurement Act as subsequently amended, is obliged to send the draft final text of the contract terms, incl. all relevant annexes, to ex-ante inspection at least 10 business days before expected start of the selection or procurement procedure.

2) The contracting authority, which intends to close over-limit public contract in procurement procedure without publication acc. to Section 23 par. 4 letter a), par. 5 letter a) and letter b) of Public Procurement Act is obliged to send the documentation in bellow specified scope to the ex – ante inspection at least 20 business days before expected start of the order proceeding.

- 3) To the ex – ante inspection, the contracting authority will submit via IS KP14+ the draft of notification or call on starting of the procurement procedure and the contract documentation, resp. other documents required by MA OP RDE. In case of public procurement procedures acc. to par. 1 letter c) and par. 2 above, the contracting authority submits also the reasoning of the intention to contract in the public procurement procedure without publication within the scope of annex No. 12 of Rules for Applicants and Beneficiaries. The contracting authority will send to MA OP RDE the information on insertion of the documents to IS KP14+ by means of the internal dispatch module in IS KP14+.
- 4) Within 5 business days from sending the documents. the MA OP RDE informs the contracting authority, whether the procurement procedure was chosen to the ex-ante inspection. If the MA OP RDE does not make any statement to the sent document, it is understood that the procurement procedure was not chosen to the ex-ante inspection.
- 5) Result of the ex-ante inspection will be sent by MA OP RDE to the contracting authority by means of the module IS KP14+ at the latest by the expected date of procurement procedure. In justified cases, the deadline can be extended, but max. to completion of the procurement procedure.
- 6) If MA OP RDE challenges the commends to the order terms or to the process of the order placing, the contracting authority is obliged to take the comments into account or solve them and inform on this the MA OP RDE, otherwise it is in danger of illegibility of the expenditure paid in relation to the subject order.

## **B. Ex-ante inspection after contract closing**

- 1) Contracting authority, which places
  - a) Over-limit public contract placed in the procurement procedure acc. to Public Procurement Act, or
  - b) Contract of higher value, whose presumed value exceeds at least financial limit for sector contracting authorities acc. to the Government Decree No. 77/2008 Coll. determining the financial limits for purposes of ZZV as subsequently amended, is obliged to send all relevant documents to evaluate the correct proceeding in the procurement procedure, within 3 business days at the latest after decision on selection of the most suitable offer.
- 2) Contracting authority, which places
  - a) Below-limit or over-limit public contract acc. to any exception specified in Section 18 par. 1 to 4, Section 19 Public Procurement Act or

b) Contract of higher value fulfilling the conditions for use of the exception specified in Section 18 par. 1 to 4, Section 19 and conditions for use of the procurement procedure without publication acc. to Section 23 Public Procurement Act, is obliged to send relevant reasoning of use of the specified exceptions to evaluate the correct procedure of the contracting authority, at least within 15 business days before expected signing of the contract|.

3) MA OP RDE will send to the contracting authority the opinion related to the submitted documentation via IS KP14+.

### **C. Common provisions to the ex-ante inspection**

- 1) Obligations related to the ex-ante inspection of selection and procurement procedure relate only to procurement procedure, which were started by the contracting authority after issuance / closing of the legal act on grant award / transfer.
- 2) Conclusions of the ex-ante inspections are based on information known to MA OP RDE during performing of the inspection and it is not possible to exclude presence of other circumstances, whose knowledge would lead the MA OP RDE to different conclusions. In addition the MA OP RDE cautions that the purpose of ex-ante inspection is support to the contracting authorities financed from OP RDE in preparation of the procurement procedure and prevention of risks of eventual non-compliances. In No. case the results of ex-ante inspection can be considered for confirmation of the eligibility or illegibility of the expenditure related to the subject public procurement procedure. The contracting authority is responsible to compliance of placing of the public procurement procedures with all legal regulations and other relevant rules.

#### **12.4.3. Providing of information to MA OP RDE on course of procurement procedure**

- 1) Representative of MA OP RDE is entitled to take part as observer the opening of the envelopes, meeting of the evaluation committee and dealing in the competing dialogue organised in relation to all order co-financed from OP RDE. On request of MA OP RDE, the contracting authority is obliged to enable access to the representative of MA OP RDE to such meetings. If the MA OP RDE requires so on basis of ex-ante inspection or other facts, the submitted is in addition obliged to send via IS KP14+ MA OP RDE the call to opening of the envelopes, each meeting of the evaluation committee and each dealing in competing dialogue related to the particular order, at least 5 business days before such meeting. The specified deadline may be shortened in case the meeting should take place earlier than within the 5 business days after previous meeting. On request of the contracting authority, the MA OP RDE may waive missing of the deadline.
- 2) The submitted is obliged to immediately notify the granting authority via IS KP14+ on all proceedings reviewing the acts of the contracting authority started by the Office for protection of competition (hereinafter referred to as „Office for the Protection of Competition “) and on decisions of Office for the Protection of Competition, resp. court in the proceedings, whose subject is order financed from OP RDE.

#### **12.4.4. Ex-post inspection of selection procurement procedures**

Documentation within scope of point 12.4.1 par. 1 to 4 must be submitted in the copy to the granting authority via IS KP14+ at the latest together with the request for payment including the expenditure related to the relevant order.

#### **12.4.5. Financial penalties – sanctions due to fault of beneficiary**

Amount of financial corrections, which are used for expenditure financed from OP RDE due to violation of Public Procurement Act or Public Procurement Rules during procurement procedure, are specified in the legal act on grant award / transfer.

### **12.5 Project savings**

If the procurement procedure results in a saving in form of difference between the presumed price of the order and the contracted price, project saving is originated.

- The beneficiary is obliged (by means of change proceeding) to move the saved means to the budget item Saving for distribution. Such saving will always be a non-substantial change of the budget;
- Whenever the cumulative amount of the savings exceeds 10% from total eligible expenditure of the project, the beneficiary transfers the financial means (by means of non-substantial change) to the budget item Saving above 10%;
- From the item Saving for distribution the beneficiary transfers the financial means via substantial change without change to the legal act on grant award / transfer to the budget items, where it is able to use them in a meaningful and economic way. The beneficiary usually requests the transfer once a year. In case of current need the beneficiary may request the change at any time.

However, from the budget item Savings above 10 % the beneficiary shall not transfer the financial means. MA requests from the beneficiary, usually once a year, to submit to MA by means of application for substantial change the proposal for issuing of the change of the legal act on grant award / transfer, by which it decreases the total eligible expenditure of the project by the expenditure statement of the budget item Savings above 10 %. Also the fixed financial indicator is decreased by the same amount, if it is determined to date following the day after deadline for application for substantial change. The beneficiary is obliged to respond to the request by sending the appropriate application for substantial change.

## 13 CHAPTER – PARTNERSHIP

Partnership is a relationship established by closing of Partnership Agreement<sup>106</sup>, when the applicant/beneficiary creates a unit with one or two subjects (partners) called partnership. The Managing Authority of OP RDE is not liable for the Partnership agreement content made between the applicant/beneficiary and partners.

The applicant mentions the partners in the grant application, including roles, share on project activities and financial share, if it is planned. The point is that the partners participate with the applicant/beneficiary on creating the project and if successful, also on its implementation and sustainability. The beneficiary carries out the main, essential part of project activities, if the call does not set differently. When submitting the grant application, the applicant submits the Statement of partnership/Partnership Agreement (determined by the claim or subsequent documentation to the call).

Partners legitimacy as well as their level of engagement is part of grant application, see chapter 5.2.1 (partner's legitimacy is defined in the call or subsequent documentation to the call).

The beneficiary is responsible for the project as a whole to the Managing Authority of OP RDE, acts as a subject responsible for managing the project relative to the partners and at the same time is responsible for dividing gathered resources among the partners based on agreed project budget and on documented real expenditure.

The partner participation on the project must not be based on the commercial relationship to the project subject (it is true for the whole project implementation or sustainability. During the course of the project, the beneficiary does not have a right to enter into any contractual relationship with its partners enumerated in the approved grant application within the project, whose subject is delivery or services for the project purposes provided for remuneration. Carrying out the partnership principle must not be in contradiction to the applicable Czech laws, in particular the partnership principle must not be abused to circumvent the Public Procurement Act.

All the project implementers and stakeholders must follow the procedures described in these rules – not only the beneficiary, but also his partners. Engaging the partner must be carried out in accordance with the rules for state aid, in such a way that there was not an indirect aid to the partner according to art. 107 par. 1 of the Agreement (see chapter 15 State aid).

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<sup>106</sup> A sample agreement can be found on the MEYS web. If there are more partners taking part on the project, a multilateral agreement can be used (between the beneficiary and all his partners).

### 13.1 Partnership types

Within the OP RDE the following partnership is possible:

- a) **partner with a financial contribution** – partner gets part of financial support for implementation of material project activities via the beneficiary;
  
- b) **partner without a financial contribution** – the partner takes part in carrying out material project activities, but is not provided with any financial contribution for taking part on the project. The means for financing partner's eligible expenditure are usually provided to the partner via the beneficiary. Therefore, there is not a direct money flow between the Managing Authority of OP RDE and the partner. The only exception are the partners, who represent a separate state organization unit. In this case the beneficiary does not provide finances to the partner, the state organizational unit has it accounted for in its budget.

The ways of reimbursement between the beneficiary and project partner are given by the Partnership Agreement. The reimbursements can be made by advance payments, based on expenditure reports/payment of eligible expenditure before the project approval, or payment after the project approval (this variant is recommended by the Managing Authority of OP RDE). The partner is thus obliged to provide the beneficiary all the documents that form a foundation for preparing the report on project implementation/Final report on project implementation of the project. Following the Partnership agreement wording the beneficiary and the partners must agree on dividing the devices and unused consumables paid from the awarded grant between partners before the project ending (according to the term stated in the awarded grant between the partners). The beneficiary must provide the copy of deeds of transfer (deeds of gift) together with the list of transferred or given devices or consumables to the granting authority with Final report on project implementation.

#### Collaboration on local inspections

In case there is a local inspection carried out at the project, the partner is obliged to provide maximum collaboration to the control body, e.g. provide access to accounting documents or assets evidence, or enable part of this inspection directly at the project partner/partners.

The beneficiary is the subject liable to the Managing Authority of OP RDE for carrying out the whole project (including those part of the project carrying out by its partners), i.e. when the project targets are not met, the beneficiary must be assigned to return the whole amount of grant, even if not reaching the objectives was caused by one of the partners. The partner's activity and amount of drawing of the aid on expenditure carried out by the partner must be described in the provided monitoring reports of the beneficiary.

### 13.2 Change of partner

On rare occasions a partner exchange during the project course is possible. These situations must be always individually assessed by the Managing Authority of OP RDE.

Solving the situation, when the partner wants to leave the project or ceases to exist, means taking over his liabilities by the grant beneficiary or other partners engaged in the project. Partner's withdrawal from project implementation is handled as a substantial project change, see chapter 7.2 that requires an approval by the Managing Authority of OP RDE. Only after it is not possible that the withdrawing partner's liabilities are taken over by the beneficiary or other partners engaged in the project, there may be an exception that the withdrawing partner is replaced by a new one or new ones. Engagement of a new partner always requires an approval by the Managing Authority of OP RDE – it is a substantial project change. The call, or other call documentation can modify or limit this regulation, prohibit changing the partner, etc.

## 14 CHAPTER– SYNERGIES AND COMPLEMENTARITIES

In the period 2014–2020 synergic and complementary calls will be announced. The aim is to use the potential created by the options of combinations of support to fulfil the programmes' objectives and enable higher effect of project results.

### Synergy

If the call is called as a synergic one, it will be mentioned in the call. The synergic calls are divided into initial ones and following ones from the time point of view.

Depending on, whether the call is initial or following from the point of view of synergic connection, the applicant will fill out the following project attributes in the grant application, such as:

- for project submitted as part of the initial call, the applicant specifies the planned following activity/activities that he will carry out in the project/projects within the following synergic call.
- for project submitted within the following call the applicant selects particular project from the particular call, with which it is synergic or to which it follows and describes a material continuity to the initial project.

Evaluating the relevance of this synergic connection is part of Eligibility check and formal check.

For the project with a legal act of grant award / transfer that has been identified as a synergic one, the beneficiary during implementation shows a progress in fulfilling the synergic connection in the reports about implementation/sustainability (description of the progress in carrying out the

synergic connection – evaluating the project contribution in connection to the synergic project, what is an added value of reciprocal carrying out both synergic projects and how the collaboration works).

### **Complementarities**

If the call is called as a complementary one, it will be mentioned in the call. The complementarity of submitted grant application is determined in the process of project evaluation for applicants/beneficiaries, whose grant application is marked as complementary, No. claims are put either when filling the grant application, or during project implementation, if the call/call documentation does not state differently.

## **15. CHAPTER - STATE AID**

### **15.1 Introduction to state aid**

In the call/call documentation, the mode in which the aid is provided is always mentioned (e.g. whether it is provided in the mode that does not establish state aid, in the mode of compatible state aid by the (EU) Commission Regulation No. 651/2014, in the aid mode of a small extent/de minimis or services of general economic interest). This chapter outlines general conditions concerning individual aid modes and associated duties for the applicant/beneficiary. The call/following call documentation can specify other relevant conditions concerning state aid.

The European legislation generally prohibits provision of aid from state or public budgets that violates or can violate economic competition by making some enterprises or industries more advantageous, because it essentially means advantage in market environment and is therefore an undesirable event that corrupts economic competition. Providing such advantage constitutes **state aid. There are however exceptions or special modes that on the predefined conditions make granting of** state aid possible (there are already mentioned so called block exemptions, aid of small extent /de minimis or services of general economic interest). No. enumeration of state aid forms exists and each case must be evaluated individually.

The central coordination, advisory, consulting and monitoring body in the area of state aid is the Office for the Protection of Competition. The activities of the Office for the Protection of Competition in the area of state aid are established by the Act on Amendment of Relationships in the Area of State Aid. Since May 5. 2004, all the decision-making authority of the Office for the Protection of Competition in the area of evaluating of the state aid compatibility with internal market was transferred to the European Commission.



## State aid and measures representing state aid.

### What is state aid:

The basic adjustment of the rules for state aid directly follows the primary European Union legislation, Article 107–109 of the Treaty on the Functioning of the European Union (“TFEU”) that is further explained in the Regulations of the Council and European Commission, as well as in non-legislative rules established by the European Commission.

The state aid that corresponds with the characteristics of Article 107 Paragraph. 1 TFEU is any aid granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Member States, be incompatible with the internal market. **The aid that meets these criteria, is incompatible with the internal market and therefore is prohibited.** Some exceptions from general prohibition of state aid can be allowed based on directly usable regulation (e.g. block exemptions, de minimis aid etc.), or based on the EC decision. State aid is identified via these 4 characteristics that must be fulfilled cumulatively.

1. **Aid provided by the state or from state funds** (they can be e.g. national, regional, state, or public banks funds). The funds from which grants are provided come from the Czech and EU budgets; it means in case of projects supported by the OP RDE this point is always fulfilled.
2. **Preferential treatment for enterprise or industry in any form.** The preferential treatment for the needs of EU rules regulating state aid is treated as an economic benefit that an enterprise would not gain without the public institution intervention on the market. The provided aid gives an advantage to certain enterprise's business, because it enables this grant beneficiary to lower the cost on implementation of plans that would otherwise have to be paid from its own funds. If the beneficiary gets advantage at the expense of other competitors, the treatment is a selective one; and this means accomplishing one of the defining criteria of state aid. From the point of view of accomplishing this condition it is therefore necessary to evaluate the following:
  - a) Whether the applicant performs or will perform economic activity within the project
  - b) How is such activity associated with the project
  - c) Whether project implementation will influence performing economic activity by the beneficiary, whether it is extending current economic activity, or a new economic activity.

**3. Possible disruption of the competition for internal market of the EU**– to accomplish this characteristic only the possibility of disruption of competition is sufficient, not its actual disruption. The measure is thus eligible to disrupt the competition, if it improves the competitive position of the enterprise over its competitors.

**4. Possible influence on the trade among EU member states** – if the advantage is given to an enterprise that is active on the market that is open to competition, it is supposed that the trade among EU member states can be influenced. To fulfil this feature it is sufficient to influence the trade among EU member states, not a factual influence on the trade exchange. The trade among member states can be influenced also in the cases, when the receiving enterprise does not export. The influence on the trade in such cases infers from the prerequisite that its competitors can have more difficult access to given market because of the fact that such measure enables the beneficiary to keep or increase its production. The Commission presumes accomplishing this condition almost all the time. Therefore if the applicant refers only to the place of impact of its activities, it must prove it appropriately.

If the above mentioned distinctive characters are cumulatively fulfilled, state aid is identified. The aid identified as state aid can be legally provided without the need of its notification to the EC just based on one of the exceptions, or in case that the European Commission declares it compatible with the internal market during the notification process, or using the mechanism of general economic interest services.

If the state aid definition characteristics are improperly assessed, it can lead to granting of illegal state aid and associated recovery of the aid including possible sanctions. In many cases, the Commission came to the conclusion that the measure does not establish state aid, e.g. because of locality or in case that that the aid for given project would be provided by a private investor with same conditions as a state body. It is not state aid in case of financing the projects directly by the European Union agencies or institutes (e.g. from the projects like Horizon 2020, Erasmus+, etc.). Last, but not least, it is not a state aid in case of execution of official authority on the part of the state (i.e. activities that are among the basic state functions – e.g. the police, army, etc.).

## **The Enterprise**

Based on the Article 107 Paragraph 1 TFEU the state aid rules are generally used only in case that the beneficiary is an enterprise. The enterprise is any entity regardless its legal status or way of financing that performs economic activity. The subject that performs both economic, and non-economic activities, is considered to be an enterprise only in connection with economic activities.

## **Economic activities**

Economic activities are defined as offering goods or services on the market. It is also true that to apply the EU rules that regulate state aid it is not decisive, whether the entity generates profit, because also the non-profit entities can offer goods and services on the market. Also the civil

associations and communities must be included into the enterprise category, because they can also produce secondary economic activity. In their case it will depend, to what activity the public funds will be directed. A special enterprise category is formed by contributory organisation of territorial self-governing units. So called additional activities must be followed in case of these subjects. They are usually carried out on the market and the contributory organisations are in the competitive conflict with other entities because of their performance. It is therefore necessary to always thoroughly evaluate the activity to which public funds are aimed.

If the same subject makes activities of both economic, and non-economic nature, the public financing of non-economic activities will not be done pursuant to Article 107 Par. 1 of the Agreement, if both activity types can be clearly separated to prevent cross-financing of economic activities. The certificate of distribution of costs, finances and income can be e. g. annual financial reports of given subjects.

## 15.2 Public financing in the area of research and development not establishing state aid

Par. 20 of the Framework for State aid for research and development and innovation 2014/C 198/01 (“Framework”) states that if the research organization<sup>107</sup> or research infrastructure<sup>108</sup> is used for economic as well as non-economic activities, the rules of state aid apply to public financing only if this financing covers the cost associated with economic activities. **If the research organization or infrastructure used only for non-economic activities, its financing can completely fall behind the force of state aid rules provided that its economic usage is purely secondary, i.e. It is an activity that is directly associated with the operation of research organization or infrastructure and is necessary for its operation or is inseparably connected with its main non-economic usage and its scope is limited.**

For the purposes of the Framework this condition will be fulfilled according to the Commission in case that absolutely identical inputs will be used for economic activities (e.g. the material, devices, work force and fix capital) as in non-economic activities and the capacity allocated every year to these activities will not surpass 20 % of overall annual capacity of the given subject, or relevant entity.

**Relevant entity** – the term used by the organization for research and dissemination of knowledge as a subject is in the English wording for the Framework defined as an “entity”.

The relevant entity is defined as a defined organizational unit that can separately and effectively dispose of assets and other resources purposely used for carrying out independent fundamental research, industrial research or experimental development or public dissemination

<sup>107</sup> For definition of research organization/organization for research and dissemination of knowledge see Chapter 2 of these Rules.

<sup>108</sup> For definition of research infrastructure see Chapter 2 of these Rules.

of the results of these activities in the form of education, publications or knowledge transfer, e.g. Activities defined by Par. 19 of the Framework. According to the EC declaration, within one legal entity several relevant entities may exist that are evaluated separately from the point of view of application of paragraph 20 of the Framework, regardless if the given subject/entity is a separate legal entity. Concurrently a general policy applies that it does not depend on the legal position of the beneficiary, neither its financing.

Fulfilling the conditions of Paragraph 20 of the Framework (qualitative and quantitative conditions for possible performance of secondary economic activities can be related to more narrowly defined “relevant entity” (e.g. the laboratory, department or supported project), not to the legal entity as a whole (e.g. an university or research organization). Pursuant to this conclusion a separate project supported by the OP RDE can be considered relevant entity, and accomplishing the conditions of par 20 of the Framework must be evaluated in this case relative to the part of the project, to which public resources are provided.

In case, when there are economic activities made on the relevant entity level, it is necessary to ensure separate reporting of accounting costs and revenues associated with economic and non-economic activities. The usage of resources (material, devices, workforce and fix assets) for economic activities must be purely secondary, i.e. It must be such activity that is directly associated with the relevant entity operation and is necessary for its operation or is inseparably connected with its main non-economic usage and its scope is limited.

### **Separating Economic and Non-Economic Activities**

Separating economic and non-economic activities must be established in basic internal rules of the applicant/beneficiary/partner subject (statutes, founder charter etc.), No. later than as of the day of submission of the grant application. Annual financial statements of the relevant entity can serve as a document on proper decomposition of costs, financing and income.

The beneficiary is obliged to clearly define its economic activities, e.g. particular contracts of contractual research, using the special identification attribute. This identification sign must be used for the given order/economic activity in all types of statements (i.e. in particular instrument’s books, work sheets) and in accounting documents (for example price calculations, invoices etc.). Clear identification through the identification sign must be also stated for non-economic activities.

The aim of this monitoring is to provide clear evidence of the rate of economic recovery and to avoid the possible state aid.

The beneficiary is obliged to register and give a proof to granting authority that possible additional economic usage of the resources is purely secondary pursuant to the regulation of the Paragraph 20 of the Framework. For these purposes a capacity<sup>109</sup> of the economic usage is reported

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<sup>109</sup> For the purposes of calculating the capacity e.g. the labelling capacity of the appliance can be used.

separately for individual years (it cannot be an average for more years). With regard to the Framework wording the capacity is always measured for a calendar year (i.e. from January (1 to December 31 of a given year) and the beneficiary evidences it retrospectively for each year as an appendix to the first submitted report on carrying out/sustainability (if relevant) of the project.

To uniquely evidence the economic activities of purely secondary nature to the main economic activity, to gather initial supporting materials for separate accounting evidence of economic and non-economic activity (pursuant to regulation of Article 49 GBER and Article 20 of the Framework), the **Managing Authority of OP RDE recommends consistent evidence of device logs, rental evidence, work reports distinguishing economic and non-economic activities and an analytic evidence of materials consumed.**

**The conditions of non-economic usage of supported infrastructure (pursuant to the regulation of Par. 20 of the Framework) must be followed for the whole lifetime/or**

**asset depreciation. In case of long term tangible/intangible property, whose deprecation time exceeds 15 years, the condition of non-economical usage is set for the period of 15 years.**

If any of above mentioned criteria is not met, there is a risk that the aid assigned and paid for these expenses could establish state state aid. It would mean a need for ex-post review of provided aid mode with possible impact on lowering the aid amount.

Details and definition of relevant entity, calculation of its capacity and reporting of its use can be further specified in details by the Control Body of OP RDE depending on the interpreting and decision-making practice of EC. For reporting modes of the economic activities from the point of view of state aid see Attachment 11.

### **Non-economic activities in the area of science, research and innovations**

The following activities are in general considered non-economic activities (according to the paragraph 19 of the Framework):

a) Primary activities of research organizations and infrastructures, mainly:

- education with the aim of increasing numbers and improving the qualification of human resources. In accordance to the judicature and decision-making practice of the Commission and according to the notification on the state aid concept the public economic is considered non-economic activity within the state educational system, it is largely or completely financed from the state funds and is controlled by the state. Education of the staff in the sense of state aid rules for supporting the education cannot be considered non-economic research agencies primary activities;

- independent research and development (“R&D”), with the aim to gain new findings and better understand the new topic, including cooperative R&D, if the collaboration, in which the organization for research and dissemination of knowledge(“RO”) or research infrastructure (“RI”) is engaged, is effective<sup>110</sup>;
  - Public dissemination of research results on non-exclusive and non-discriminatory foundation, e.g. through tuition, open-access databases, publicly accessible databases or open software.
- b) activities within knowledge transfer, if they are carried out by the research organization or infrastructure (including their departments or affiliates) or together with other similar subjects or on their behalf and if all the profit from these activities is re-invested to primary research organization or infrastructure activities. Non-economic character of these activities is maintained even in the case of entrusting the provision of the respective services to third parties through an open procurement procedure.

### **Forms of collaboration of publicly financed organisations for research and dissemination of knowledge and research infrastructures with enterprises**

Generally it can be said that the collaboration of ROs/RIs with the enterprises can have two basic levels, on the level of contractual research, and the level of cooperative projects. In both cases it is necessary to investigate, whether there is No. advantage for enterprises engaged in the cooperative projects with publicly financed ROs/RIs (in the meaning of Article 107 Paragraph 1 of the Agreement). If the conditions set forth in the Framework (Articles 2.2.1 and 2.2.2) are met, the enterprise may not gain an advantage and the enterprise thus is not provided indirect state aid. However, if the conditions set forth in the Articles 2.2.1 or 2.2.2 of the Framework are not met, the whole amount of the ROs/RI contribution will be considered an advantage for cooperative enterprise/enterprises to which the state aid rules apply.

In case of effective collaboration the project costs can be borne in full extent by one or more parties and thus rid other parties of their financial risks. If the conditions of the Article 2.2.2 of the Framework are met, the enterprise involved in the cooperative project is not considered under indirect state aid.

### **Procurement procedure**

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<sup>110</sup> An effective collaboration is a collaboration of at least two independent parties for the purposes of exchanging knowledge or technologies or gaining the common aim based on distribution of labour, where the parties together set the extent of collaboration project, contribute to its implementation and share its risks and results. The project costs can be borne in any extent by one or more parties and thus rid other parties of their financial risks.

The beneficiary is obliged to carry out procurement of goods and services (or another comparable transaction) pursuant to the procurement rules and public procurement regulation in a way that prevents state aid.

### 15.3 Exceptions that allow state aid without the need to notify the EC

In spite of the fact that the Article 107 of TFEU generally prohibits state aid, the EU legislation provides many exceptions, based on which the aid can be provided entirely in accordance with the EU law.

#### 15.3.1 Block exemptions

If the aid is provided according to the Commission Regulation (EU) No. 651/2014 from June 17 2014 that pursuant to Articles 107 and 108 of the Agreement on EC declare certain aid categories compatible with internal market<sup>111</sup> and thus can be compatible with internal market in the sense of Article 107 Paragraph 3 of Treaty on the Functioning of the European Union and is exempt from the notification requirement of the same, this information will be mentioned in the call.

The Commission Regulation No. 651/2014 relates to the following areas: regional aid, aid for small-size and medium-size enterprise (SME<sup>112</sup>), support of access for small-size and medium-size enterprise to financing, aid for research, development and innovations, aid for education, aid for disadvantaged staff and handicapped staff, social aid for transport of inhabitants of remote regions, aid for environmental protection, aid for compensations for damages caused by some natural disasters, aid for broadband infrastructure, aid for culture and keeping cultural heritage, aid for sport and multifunctional recreational infrastructure and aid for local infrastructure.

The effective wording of the Commission Regulation No. 651/2014 is available at <http://eur-lex.europa.eu>

Relevant rules will be available in the follow-up documentation to the given call, because when applying the Commission Regulation No. 651/2014 the implementation must strictly follow the conditions set forth for particular aid category, mainly in the area of supported activities and aid intensity (see chapter III of the Commission Regulation No. 651/2014). Further it is necessary to keep the common conditions described in chapters I and II of the Commission Regulation No. 651/2014, e.g. by the allowable aid form, motivational effect or the cumulation rules.

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<sup>111</sup> Official Journal of the European Union, L 187, 26. 6. 2014, page 1- 84.

<sup>112</sup> For definition of SME see chapter 2 of the Rules/Annex I of the Commission Regulation n. 651/2014.

The aid according to the Commission Regulation No. 651/2014 cannot be provided:

- a) To the enterprise, to which a collection order was issued following the Commission decision, in which the aid is declared illegal and not in accordance with internal market;
- b) To the undertaking in difficulty<sup>113</sup> according to the Commission Regulation No. 651/2014;
- c) To the enterprise that operates in areas mentioned in paragraph 3 of Article 1, chapter I, Commission Regulation No. 651/2014;
- d) To support activities associated with export to third countries or member states, i. e. aid directly associated with exported quantity, aid for devices and operation of distribution network, or other regular expenses connected with the export activity;

**Aid intensity** – for individual block exemptions the Regulation n. 651/2014 established so called maximum aid intensity that must not be exceeded. The relevant aid intensity will be outlined in the follow-up call documentation.

**The aid threshold** is a value of maximum aid amount that can be provided within given block exemption. It must not be circumvented by artificially separating the project.

**Motivational effect:** The aid can be provided in accordance to Commission Regulation No. 651/2014 only in the case if it has a motivational effect, it means that the applicant will submit the grant application before starting the project implementation<sup>114</sup>. To accomplish the motivational effect, it is further necessary that the grant application contains all these data: name and

size of the enterprise, project description including its start and end, project locality, list of project costs and aid type (e.g. a grant) and the amount of public financing that is necessary for given project.

**Cumulation:** If the project obtains aid from more state aid sources, rules of cumulation must be followed. It means that it is necessary to add all the state aid to the same eligible expenditure so that the threshold values are not exceeded (the maximum intensity of the aid and absolute threshold).

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<sup>113</sup> For definition of undertaking in difficulty see Chapter 2 of the Rules.

<sup>114</sup> Starting the work means either the beginning of construction work within the investment, or the first legally enforceable obligation to order the device, or other obligation based on which the investment becomes irreversible, whichever comes first. Purchasing the land is not considered beginning of the work (however if the price of built-up land is included into eligible expenditure, this purchase will be considered beginning of the work) and preparatory work like obtaining the permission and processing the feasibility studies. In case of adoption, the “start of work” means a moment, when the assets is acquired that is directly associated with the establishment gained.



The aid provided according to the Commission Regulation n. 651/2014, for which the eligible expenditure can be identified, can be accumulated:

- with other state aid as for various identified eligible expenditure;
- with other state aid for payment of the same (partially or fully overlapping) eligible expenditure, but only in the case that such cumulation does not lead to exceeding the highest intensity or aid size that is used for such aid according to the Commission Regulation (EU) n. 651/2014.

The state aid provided in accordance with the Commission Regulation (EU) No. 651/2014 cannot be accumulated with the aid de minimis for the same eligible expenditure, if such cumulation leads to exceeding the intensity of the aid established for the purposes of this call.

**For these purposes the applicant is obliged to submit together with the application form also the Affidavit that No. other state aid was provided to pay the eligible expenditure, or the de minimis aid and the maximum intensity of the state aid according to the Commission Regulation (EU) No. 651/2014 is not exceeded.**

**Announcing the information** – all the aid that will be after 01. 07. 2016 provided according to the Commission Regulation (EU) No. 651/2014 and whose extent will be over 500K EUR, will be announced by the granting authority on the summary web page devoted to the state aid (for more information see Article 9, Chapter I of the Commission Regulation (EU) No. 651/2014).

The granting authority can add further conditions by other relevant regulations.

### **15.3.2 Aid of small extent – de minimis**

If the aid is provided according to the Commission Regulation (EU) n.1407/2013 from December 18 2013 on using Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid<sup>115</sup> (“de minimis”), it will be mentioned in the call.

De minimis aid can be, unlike other types of measures, granted for any purpose, that is purposes of investment as well as operational in nature.

De minimis aid (or the aid of a small extent) has No. impact to competition because of its limited in extent, nor it influences a trade among Member States, thus it is not considered state aid when all the provisions by the Commission Regulation (EU) No. 1407/2013 are kept.

The de minimis aid according to the Commission Regulation No. 1407/2013 cannot be granted:

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<sup>115</sup> Official Journal of the European Union, L 352, 24. 12. 2013, page 1–8.

- a) for fisheries and aquaculture;
- b) In the area of the primary production of agricultural products enumerated in Annex I to the Treaty on the functioning of the European Union;
- c) to enterprises active in the area of processing of agricultural products and their market introduction;
- d) for acquisition of road freight transport vehicles by enterprises performing road freight transport for hire and reward;
- e) for supporting activities associated with export to third countries or member states, i. e. aid directly associated with exported quantity, establishing and operation of distribution network, or other regular expenses connected with the export activity;
- f) for export and aid that determines using domestic goods at the expense of imported goods.

A threshold for the de minimis aid

The de minimis aid [by Article 3 Paragraph 2 of the Commission Regulation (EU) No.. 1407/2013] is such that its total amount provided by the member state to one enterprise cannot exceed 200,000 EUR. The applicant can verify the disposable amount for using the de minimis aid in the Central register of de minimis supports on the website of the Ministry of Agriculture (<http://eagri.cz/public/app/RDM/Portal> ).

However, we recommend to all the applicants to always verify their “disposable limit” for drawing de minimis aid before submission of the grant application and adjust their project budget in such a way that the aid does not lead to exceeding it.

## Single enterprise

The EU jurisdiction decided that all the subjects controlled (legally or de facto) by the same subject should be for using the de minimis rule considered single enterprise (for details see the Methodological manual for application of the term “single enterprise” according to the de minimis rules that can be found on <http://eagri.cz/public/app/RDM/Portal> . )

The term “single enterprise” (“linked enterprise”) for the purposes of Commission Regulation (EU) n. 1407/2013 includes all the subject that have at least one of the following relationships:

- a) one subject owns more than 50 % of voting right that belong to the shareholders or associates in another subject;
- b) one subject has a right to nominate or withdraw more than 50% members of another subject's administrative, management or supervisory body.

- c) one subject has a right to apply 50% influence in another subject according to the agreement made with given subject, or by the provision in the articles of association, or the statute of this subject;
- d) one subject that is a shareholder or associate of another subject has itself, pursuant to the agreement with other shareholders or associates of given subject, more than 50 % voting rights belonging to shareholders or associates in given subject.

The subjects that have any relationship stated above letters a) to d) via one or more other subjects are also considered one enterprise.

Enterprises connection for the de minimis aid purposes is followed only for enterprises that are located on the territory of the same member state, i. e. only in the Czech Republic.

In this connection it is important to mention that enterprises that have same bind to the identical public authority body (i.e. municipality, region etc.) and have No. relationships, are not considered linked enterprises. It is essential to make clear, whether the beneficiary is an enterprise without direct link to public authority body, or whether it is a beneficiary, who is established or owned by the public authority body.

The applicant is obliged to provide the granting authority a statement about the relationship of the link to other enterprises in the sense of defining one enterprise, in the form of Affidavit in the form of annex within completing the foundations for preparing the legal act on grant award / transfer, so that the provider can verify in advance that by providing the aid the allowed maximum limit of de minimis aid will not be exceeded.

### **Reference period**

The beneficiary's reference period is defined as three following accounting periods according to the accounting period used by the beneficiary. Pursuant to the provisions of Section 3 par. 2 of the Accounting Act, as amended its time period is an accounting period – continuous twelve months. The accounting period either matches the calendar year, or is an economic year.

The three-year period should be evaluated continuously in such a way that when new de minimis aid is assigned, the overall amount of provided de minimis aid must be taken into account in given one-year period and during two previous one-year accounting periods. The period of three one-year periods will be established according to the accounting period used by the enterprise. The applicant is obliged to inform the granting authority in his Affidavit, what accounting period he uses, and if he applies economic year, he must at the same time define the start and end dates of the economic year.

### **Day of granting of the aid**

The day of granting of aid of small extent is the day, when the beneficiary gains the legal title for it. Generally, it is considered the day of entry into force of the legal act, by which the support provider decided on granting the aid of small extent to the particular beneficiary, if such act represents establishment of legal title of the beneficiary for the aid. To determine the date of granting the aid it is not relevant, when the de minimis aid was actually paid to the beneficiary. The de minimis aid will be recorded in the Central de minimis register within 5 business days from granting to the beneficiary (i.e. from publication of the legal act on grant award / transfer).

### **The exchange rate for the aid amount**

The exchange rate for the aid amount of a small extent from CZK to EUR depends on the day of granting de minimis aid. The exchange rate issued to this date by European Central Bank (“ECB”) will be used for conversion. It can be found at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>.

With regard to the fact that the aid threshold is set in thousands EUR and the aid is paid in CZK in the Czech Republic, it is necessary to correctly find out the not drawn part of the limit. The reason is that any exceeding of the limit, be it just one CZK, would lead to the need for recovery of the whole amount of the aid which caused the exceeding of the limit.

### **Consequences of exceeding the maximum de minimis aid amount**

If the maximum amount of the de minimis aid is exceeded, the provisions of the Regulation will not apply for such support. It means it will be considered a state aid that meets all the criteria mentioned in Article 107 of par.

### **De minimis aid cumulation**

Cumulation of de minimis aid with another aid to the same eligible expenditure is possible, but the maximum level that is given by the rules for another aid (e.g. rules for regional investment aid) must not be exceeded.

The de minimis aid can be accumulated with other forms of aid only to the maximum amount of 200.000 EUR. The rules for accumulating de minimis aid follow Article 5 of the Commission Regulation (EU) No. 1407/2013.

### **The applicant/beneficiary obligations to the granting authority**

- a) The applicant is obliged to provide the granting authority the declaration about the relationship with other enterprises in the sense of the definition of single enterprise, in the form of Affidavit.
- b) The applicant is further obliged to inform the granting authority in his Affidavit, what accounting period he uses, and if he applies economic year, he must at the same time define the start and end dates of the economic year (e.g. 1. 4.–31. 3.).

With regard to the above mentioned it is therefore necessary that the applicant provides this data to the provider as part of complementing the supporting materials for preparation the legal act on grant award / transfer. It is documented through an affidavit (a sample can be found on the OP RDE web).

### 15.3.3 Services of general economic interest

The term services of general economic interest (“Services of general economic interest”) is not defined in TFEU, or in secondary EU law. However, the EC defined that Services of general economic interest are economic activities that bring results in overall public interest and that would not be provided on the market without public intervention. These services are usually ensured by the state, regions or municipalities in public interest (i.e. in the interest of public) and their distinctive characteristics is the fact that if they were not financially supported by public subject, they would not be provided at all, or their quality and scope would be limited. The public service obligation arises to the service provider based on the authorisation and the criterion of public interest. It ensures providing the service on the conditions enabling fulfilling its objective. There is a special legal modification concerning the aid that is provided to the beneficiary for the purposes of providing Services of general economic interest.

The services of general economic interest essentially refer to the grants for public subjects that usually fund functioning these providers. These compensatory payments (compensations) can establish state aid. The sample areas, where Services of general economic interest can be identified: travellers transport, health care, social services, public service broadcasting, postal services, power engineering.

The decision-making factor for determining, whether the Services of general economic interest financing from public funds means state aid is the judgement of the European Court of Justice (nowadays the Court of Justice of the European Union) to the Altmark judgement (C-208/00). In this judgement the Court set out 4 cumulative conditions for whose compensation fulfilment (compensation payment) does not mean advantage for Services of general economic interest operator. Therefore, one of the definition signs of state aid is excluded, thus also the compensation (balancing payment) invested into Services of general economic interest does not represent state aid.

Another possible variant of financing the Services of general economic interest is financing using the general modification of the de minimis aid or according to the special Commission Regulation (EU) No. 360/2012 on using Articles 107 and 108 of the Treaty on the Functioning of the European Union to the de minimis support given to establishments providing the services of general economic interests.

Detailed information for applying the Services of general economic interest rules are to be found together with the Manual of services in general economic interest on the Office for the Protection of Competition web page at (<http://www.uohs.cz/cs/verejna-podpora/sluzby-obecneho-hospodarskeho-zajmu>). If the aid is provided in the form of Services of general economic interest, it will be mentioned in the call.

## 15.4 Identification of state aid in the scope of supported activities

The expected support modes within the OP RDE can be found on the OP RDE web pages.

## 15.5 Basic obligations of the applicant/beneficiary in the area of state aid

The applicant is obliged to act based on the conditions that are set out in the call to submitting grant application and following documentation to this call. Engaging the partner must be carried out in accordance with the rules for state aid, in such a way that there was not an indirect state aid of the partner and his advantage according to art. 107 par. 1 of the Agreement (for Partnership see chapter 13).

The beneficiary is obliged to get goods and services (or other similar transactions) pursuant to the procurement rules and public procurement regulations in a way that prevents transferring of state aid the enterprise. The Public Procurement Rules are amended in Chapter 12.

For the purposes of evaluation, the beneficiary is obliged to allow the granting authority access to all documents concerning its activities, inner structure etc., any time during the evaluation of the grant application, as well as during the follow-up project implementation and its sustainability, to judge, whether the applicant/partner meets the above mentioned conditions. To avoid any doubts it is mentioned that evaluating the fulfilment of these conditions by the applicant/partner the granting authority can verify not only formal settlement or formal information (e.g. in public registers), but also the factual functioning of the applicant/partner.

## 15.6 State aid register in MS2014

In MS2014+ the data item state aid will be registered in the grant application.

## **16. CHAPTER – HORIZONTAL POLICY (ACCORDING TO THE ARTICLE 7 AND 8 OF THE GENERAL REGULATION)**

The applicant for grant in a specific section of grant application describes the impact and reasons of the project influence on individual horizontal principles, or describes implementation of particular activities for their support. More about the way of evaluating the grant application see chapter 5.4 and for further detail see the text of the individual call.

### **16.1 Equality between men and women**

In OP RDE there are predominant activities that are not primarily focused on the equality between men and women; all priority axes however have influence in this area. The principle of equality between men and women will thus be applied as a horizontal policy in individual investment priorities. When programming, managing, monitoring and evaluating the contribution of supported interventions to the equality between men and women will be taken into account. The beneficiary is liable for ensuring equal access of men and women as target groups to activities implemented by the projects and will ensure that discrimination based on sex is not applied.

The Managing Authority of OP RDE puts emphasis on the fact that the applicant within the support of equality between men and women properly takes into account special needs of individual target groups and uses additional means to remove possible barriers (e.g. through taking into account special educational needs of girls and boys, or through removing gender stereotypes).

### **16.2 Equal opportunities and a non-discrimination**

The principle of equal opportunities and protection against discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation were respected in designing the OP RDE in all the priority axes and specific objectives. These principles will also be monitored in the implementation of projects where the main effort will be to remove barriers for the target groups, which would inhibit their participation.

The OP RDE will not support any measures that lead to discrimination and segregation of marginalised groups such as Roma children and pupils and other children and pupils with the need for supportive measures (children and pupils with disabilities and social disadvantage).

### 16.3 Sustainable development

The OP RDE focused on improving the quality of education, research, development, and co-operation among the actors. The basic modern principles both in education and in research and development include the development of key competences for sustainable development, environmental protection, resource efficiency, measures mitigating climate change, providing conditions for disaster resilience and risk prevention. Responsible attitudes to sustainable development will be encouraged both in grant applications and their subsequent implementation, and throughout implementation, e.g., by preferring electronic communication.

Within the OP RDE there is No. support for which could have a negative impact on sustainable development. Minimum principles of sustainable development will be required from each project and subsequently will be assessed as part of the project implementation.

The issue of influence on environment in the OP RDE is evaluated only in selected activities supported from the ERDF, e.g., construction works, purchase of sophisticated machines, devices, equipment etc. In this type of operation, the relevance of environmental protection, reducing the risk of disasters (of natural and other origin) or resource efficiency (including electric, heating and other savings) is high and the aim is that investments of this type meet the highest current standards. Therefore, environmental protection and the meeting of those standards will be a part of appraising this type of project proposals. In monitoring, the projects in relevant specific objectives will be internally monitored for their output environmental indicator "Extended, refurbished or newly-built capacity without taking agricultural land". The specification can be found in the call text (or the follow-up documentation).

In research and development projects specialising on research activities as such and on co-operation of various actors, the emphasis will be put on environmental protection within the relevance of the project objectives and activities. Applicants will describe the environmental impact in their projects, mainly in resource efficiency, climate change, disaster resilience and prevention. The sustainable development principle will be taken into account by means of selection criteria in the appraisal and selection of the submitted project proposals.



## 17 CHAPTER – PUBLICITY RULES

The Publicity Rules do not impose any obligations on the Applicant or Beneficiary beyond the scope of the obligations that follow from the General Regulation.

However, for the purpose of promotion of the implementation of the OP RDE as the whole, the Managing Authority of the OP RDE sets a minimum scope of collaboration of beneficiaries while promoting the project implemented, while the beneficiary is obliged to respect two rules:

- The beneficiary has No. right to obstruct promotion of the implemented project if such promotion does not require its collaboration;
- If the promotion of the project requires the beneficiary's collaboration, it is the duty of the beneficiary to provide any reasonable collaboration; in such extent that the Beneficiary does not incur any additional costs of such collaboration.

### 17.1 General obligations of beneficiaries in terms of publicity

General obligations of beneficiaries in the area of publicity include the following:

1. Within all the information and communication measures, the beneficiary shall demonstrate the grant awarded from ESIF by displaying the EU emblem, reference to the EU and reference to the fund or funds from which the project is supported.
2. In the course of the implementation of the project, the beneficiary shall inform the public about the grant awarded from the funds in the following manner:
  - a) the Beneficiary shall publish on its website (if any), a brief description of the project, including the objectives and the results, emphasising that the project has obtained grant from the Union;
  - b) after start of the physical implementation of the project, the beneficiary shall shall display at least one poster with information about the project (minimum size A3)<sup>116</sup>, including the amount of the grant from the Union; the poster shall be installed at a place well-visible for the

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<sup>116</sup> The poster may be replaced by a carrier on which the information will be displayed in writing and in a permanent manner (e.g. plaque, billboard, etc.), providing that the size is A3 or larger.

public, for example, the entrance area of the building. If the Beneficiary implements multiple projects at one place<sup>117</sup> funded from the same programme, it is possible to install one poster, of minimum size A3, for all those projects.

**The poster is displayed in case of following projects:**

- the projects financed from ESF;
- the projects financed from ERDF and the total Union contribution to the project does not exceed EUR 500 000;
- The project is funded from the ERDF and the total Union contribution to the project does not exceed EUR 500 000 and the project was not based on purchase of tangible asset or financing of infrastructure or construction work.

c) In case of operations supported from the ESF and where appropriate<sup>118</sup> in case of operations supported from the ERDF or CF, the beneficiary shall ensure that the subjects participating in the operation will be informed of that financing.

Every document related to the implementation of the project, which will be used for informing the public or target groups of the supported project or its part, including any acknowledgement of the participation or other acknowledgement, must include a declaration stating that the programme was supported from the given fund/European structural and investment funds. Such obligation will be considered as fulfilled if the Beneficiary informs about the supported project in the following way: displaying the EU emblem and identifying the fund/funds and the programme.

d) In case of implementation of a project funded from the ERDF, the beneficiary shall post, at a prominent place, well visible to the public, a temporary billboard (for the implementation period of the project), which will be of significant size<sup>119</sup>, for every operation based on financing infrastructure or construction work whose total financial assistance exceeds EUR 500 000.

3. No. later than in three months after completion of the operation, the Beneficiary shall put up a **permanent plaque or permanent billboard** of significant size at a prominent place, well visible to the public, for each operation fulfilling both following criteria:

<sup>117</sup> If it is not possible to install a poster in the place of implementation (for example, in projects focused on social work in the field, etc.), the poster may be installed in the beneficiaries' head office.

<sup>118</sup> Where appropriate means training, conferences, seminars and workshops.

<sup>119</sup> The recommended size of the temporary billboard is the standard euro-format 2.4 x 5.1 m. For more detailed specifications of the billboard or permanent plaque, refer to the ESIF Manual of uniform visual style.

- total amount of financial assistance per operation exceeds EUR 500 000;
- the operation is based on purchase of tangible item or financing infrastructure or construction work.

The poster, permanent plaque or billboard shall state the title of the operation/ project, main objective of the operation/project, and amount of the contribution provided by the EU.

The permanent plaque, billboard or poster shall be made in compliance with the ESIF Manual of Uniform Visual Style for the programming period 2014–2020 (furthermore, UVS Manual) and the MEYS Manual of Visual Identity, available on MEYS website <http://www.msmt.cz/strukturalni-fondy-1/pravidla-pro-publicitu> .

In case that after completion of the operation the three-month deadline for installation of the permanent plaque or permanent billboard was met, on condition that the rules for use of the ESIF uniform visual style and MEYS logo were respected, the Beneficiary may create a joint plaque for multiple projects implemented at the same site.

**Table 1 – Summary of tools**

Obligatory tools	Optional tools
Temporary billboard (during the implementation of the project) permanent plaque/billboard Poster, A3 or larger	All other communication tools and activities fall under optional tools/optional publicity

## 17.2 Obligatory elements in obligatory and optional tools/ optional publicity

Obligatory elements defined by the Directive of the European Parliament and of the Council (EU) No. 1303/2013 and further specified by its Implementing Regulation are obligatory for all subjects and all tools (obligatory and optional):

- **EU emblem**
- **Title "European Union"**
- **Reference to ESI Funds**
- **Reference to OP RDE**

### **General rules of using logos**

- a) Using logos other than the EU logo is the only item specified beyond the scope of requirements following from the Directive of the European Parliament and of the Council (EU) No. 1303/2013 and its Implementing Regulation.
- b) Graphic norms for the Union emblem and the determination of standard colours are available in the ESIF Manual of uniform visual style for the programming period 2014–2020 (see the website <http://www.msmt.cz/strukturalni-fondy-1/pravidla-pro-publicitu>), including the combination of the EU emblem and the text embedded in the EU logo.
- c) Logos must be well-visible. Their position and size must be proportional to the dimensions of the material or the document.
- d) The logos are placed so that, regardless they are used horizontally or vertically, the following rule of position is respected: the EU logo should be placed on the left (if used horizontally); and on the top (if used vertically). If the OP RDE Managing Authority's logo is used, it will be on the second position.
- e) The EU logo/emblem should be at least the same size as the other logos used.
- f) In several logos in a row, protective zones of individual logos should be respected.
- g) The logos shown on websites are always made in colour; in all the other cases, the colours should be used as well (if possible). The monochromatic version may be used in well-grounded cases only. The well-grounded exceptions i.e. the use of the monochromatic logo, include the cases when the materials are printed on standard office printers, or some other cases, when the material would not allow using the colour version, or if using the colour version would be uneconomical, unecological or unaesthetic.
- h) Making black-and-white copies of original colour material is not considered as non-compliance with Publicity Rules.

- i) In optional tools, the obligation of reference to the fund shall not apply for small promotional objects, where the display of the full version is not technically feasible. For the minimum dimensions of the EU logo, refer to the Manual of uniform visual style for EU funds.

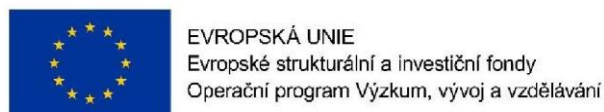
## **Particular obligations of the beneficiaries related to using logos in individual types of tools/ cases**

### **1. Obligatory tools**

In case of obligatory tools financed under the same programme, however, from multiple funds at a time, or from a multi-fund programme, only the two following logos will be present in the zone designed for obligatory publicity:

- a) EU logo;
- b) MEYS logo.

It is impossible to place any other logos anywhere within the tool. Furthermore, a reference to the EU and ESI funds (jointly) and to the programme will be stated. This information shall be included in the EU logo (see the example):



### **2. Optional tools**

As regards optional tools/ optional publicity funded under the same programme yet from multiple funds at a time, or from a multi-fund programme, the tool must bear the EU emblem, the reference to EU and ESI funds (jointly) and to the programme. This information may be included in the EU logo. Abbreviated names of programmes may be used within the EU logo as well.

Furthermore, other logos may be placed onto the tool, too. However, it is recommended to respect the zone designed for obligatory publicity - in the way it is defined in the Manual of Uniform Visual Style, i.e. it is not recommended to place other logos, except for the logos of financing entities, within the same horizontal line (if used horizontally) or within the same vertical line (if used vertically); the above-mentioned general rules should be respected in all times, providing that the technical solution for the given tool allows to do so.

### 17.3 Sanctions in case of non-compliance with the Publicity Rules for beneficiaries in the OP RDE

Establishment of a sanction mechanism in terms of non-compliance with the publishing rules is important from the view of adherence to the set rules on the Beneficiary's side.

The fundamental prerequisite of successfully fulfilled obligations in the area of publicity is applying preventive procedures, not repressive recourse.

The following rules are applicable for all irregularities in the area of publicity:

1. any non-compliance subject to financial correction should be visible/identifiable to the naked eye (irregularities not visible to the naked eye are not given sanctions);
2. reasonable deadlines are determined for amendment;
3. the maximum amount of all sanctions related to irregularities in the area of publicity per one operation/project is CZK 1 000 000 to avoid too high sanctions for non-conformities which do not directly affect the project objectives;
4. sanctions are imposed by percentage since this is the way ensuring equal treatment of all applicants; the percentage is computed from the **total amount of grant**, which is awarded to implementation of the project within the legal act on grant award / transfer, and that at the **current amount** at the time when the sanction was imposed;
5. any documentation (request for correction, notification on non-compliance etc.) will be communicated via MS2014+.

There are two categories of non-conformities: non-conformities in case of obligatory tools, and non-conformities in case of optional tools. The procedures for either case are described in the following chapters.

#### A) Rules for enforcement of sanctions in obligatory tools

In case of a finding stating a Beneficiary's breach in a concrete rule in the area of publicity in any of obligatory tools, the Beneficiary will be asked for correction in writing, within a deadline defined by the inspection body (the deadline shall correspond to the time needed for such correction). After that, the following procedure will apply:

1. the Beneficiary `corrects the situation within the required deadline – No. sanction is imposed;
2. the Beneficiary does not correct the situation within the required deadline or rectifies it in a wrong way – the **sanction** for breach will be imposed, in compliance with Table 2; after that, the Beneficiary will be asked for correction once more. The inspection body shall define reasonable deadline for correction;
3. if the Beneficiary does not correct the situation after such repeated request, the **sanction for unrespecting of the request made by the provided of the financial** assistance will be imposed, and that at the same amount as it was determined at the time of identification of the breach, according to Table 2; for the purpose of this, it is stated in the related legal act that the financing is provided on condition that an issue will be corrected if the Beneficiary is asked to do so, and, furthermore, that failure on the Beneficiary's side to rectify the situation within the determined deadline and in the way as required will be considered as breach in the conditions of providing the financing, and, furthermore, that every case of failing to correct the situation will be sanctioned, i.e. every unfulfilled request for correction represents one breach in the terms and conditions of the Grant Award Decision. Following from such arrangements, it is possible to impose the sanction for unrespecting of the request by the MA several times if the rectification is not ensured within the deadline specified in the request, until the correction has been ensured. In terms of obligatory tools, any irregularity must be rectified, **in any case**.

**Table 2 – Sanctions in obligatory tools**

Publicity tool	Irregularity	Amount of sanction
Obligatory tools	The tool is totally missing	1.2 %
	Any of the following is missing or is wrong: – EU logo (EU emblem, including all obligatory references/texts) – the title, the main objective of the operation and the amount of the financial assistance provided by the EU – specified dimension of the tool	0.8 %
	Excessive logo is used	0.1 %

## B) Rules for enforcement of sanctions in optional tools / optional publicity

In case of a finding stating a Beneficiary's breach in a concrete rule in the area of publicity in any of optional tools, **the beneficiary will be asked for correction in writing, within a deadline defined by the inspection body (the deadline shall correspond to the time needed for such correction)**. After that, the following procedure will apply:

1. If the correction **is** possible and the Beneficiary **rectifies** the situation within the required deadline, No. sanction is imposed;
2. If the correction **is not** possible (for example, for technical reasons, there is No. sense in doing it, it would be economically unsound<sup>120</sup>), the Beneficiary will be reproached - **reproach No. 1**, category A or B, refer to Table 3 below; No. sanction will be imposed. Should the same non-compliance occur in any other tool / medium again during the following inspection, the Beneficiary will be reproached once more - reproach No. 2, category A or B, refer to Table 3 below; No. sanction will be imposed, either. However, the sanction will be imposed if the Beneficiary, during the third inspection, is reproached for the third time - **reproach No. 3**, for the third irregularity in the same category (A or B) in any optional tool<sup>121</sup>. The same sanction will be imposed if the fourth or any other non-compliance is identified in the same category (A or B);

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<sup>120</sup> All the reasons which the correction is not possible for should be duly justified by the Beneficiary within the deadline in writing. As a rule, a correction is economically unsound if the costs of correction of the issue exceed the amount of the sanction. In any other case, the judgement depends on the conclusion made the inspection body.

<sup>121</sup> One reproach may apply to multiple optional tools at a time. The tools already counted cannot be subject to any other reproach afterwards.



3. If a correction is possible but the beneficiary does not correct the situation within the required deadline, the sanction as per Table 3 will be imposed.

**Table 3 – Sanctions in optional tools / optional publicity**

Publicity tool	Category	Non-compliance	Level	Amount of sanction
Optional tools/ optional publicity	<b>AND</b>	Logo EU (EU emblem, including all obligatory)	totally missing	0.6 %
	<b>B</b>	– EU logo ( EU emblem, including all obligatory references/ texts) – information on the website (if any) <sup>122</sup>	– used in a wrong way  – totally missing/ used in a wrong way	0.4 % <sup>0</sup>

<sup>122</sup> Directive of the EP and of the Council (EU) no. 1303/2013, Annex XII, 2.2 Obligations of beneficiaries, section 3.

## 18 ANNEXES

### Annex 1: Sample – uniform form for processing of requests for decision review

Registration number of grant application*:
Project title*:

<b>CONTACT INFORMATION- APPLICANT - NATURAL PERSON</b>	
Name*:	
Last name*:	
Address ( <i>street and number, city, zip code</i> ):	
E – mail:	
Telephone:	

<b>CONTACT INFORMATION - APPLICANT - LEGAL PERSON</b>	
Company or name*:	
Address ( <i>street and number, city, zip code</i> ):	
Identification number*:	
E – mail:	
Telephone:	

Required item\*

<b>REQUEST FOR REVIEW OF DECISION</b>	
Subject-matter ( <i>which decision should be reviewed</i> )*:	

Description of the request for decision review( <i>detailed version of the request and rationalization, including identification of the grant application and identification of the criteria related to the request for review</i> )*:	
Annexes:	
Applicant's proposal ( <i>the expected result following from the submission of the request for decision review by the Applicant</i> ):	
Date*:	
Signature*:	

\* Required item

## Annex 2: Sample – Interim/final implementation report

The sample comprises the required minimum number of obligatory sections. **Within a particular call, both the obligatory and the optional sections may be extended. Introductory page**

Data item	Fulfilment	Comments
<b>Document title</b>	interim report on project implementation- individual project No. x/final report on project implementation- individual project No. x.  interim report on project implementation–major project No. x/final report on project implementation-major project No. x.  interim report on project implementation-simplified project No. x/final report on project implementation-simplified project No. x.	Automatically. X = project registration number
<b>Programme / Partnership agreement</b>	Code list	Automatically
<b>Type of document</b>	Implementation	Automatically
<b>Type of document</b>	Code list – report on project implementation- individual project – report on project implementation– major project – report on project implementation–simplified project	Automatically
<b>Logo</b>		Automatically

### Content of document

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
1.	<b>General information about the project</b>	Registration number implementation period	Obligatory		Filled-out automatically; only the data items and data relevant to the given project are shown.
		Project title			
		Name of the Beneficiary			
		Type of operation		Code list –individual project – major project – simplified project	
		Attribute of the project		Code list –integrated – synergistic – Complementary – irrelevant	
		Number and title of the integrated tool (if the project is "integrated")			
		Number and title of the project/s with which the project is "synergistic"			
		Number and title of the programme under which the project is co-funded			

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number and title of the priority axis/ Union priority			
		Number and title of the investment priority/specific objective (EMFF)			
		Number and title of the measure (EMFF)			
		Number and title of the objective (EMFF)			
		Number and title of the specific objective/ objectives			
		Fund			
		Sequence of the stage			Filled out by the Beneficiary (if the project is divided in stages).
2.	<b>Information about the report</b>	Report identification number	Obligatory		Automatically
		Type or report		Code list – interim – final	
		Report sequence number			

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Date of submission		<a href="#">dd.mm.yyyy</a>	Date of submission of the report to MA/IB by the Beneficiary (in case that the MA/IB participates in the implementation). Filled-out automatically.
		Monitoring period from		<a href="#">dd.mm.yyyy</a>	Filled-out automatically. Date of issue of the legal act of granting / transfer of the financial assistance, or the date of start of physical implementation (if precedes the date of issue of the legal act of provision /transfer of the financial assistance, or the date following after the date shown in the "Monitoring period to" in the preceding report.
		Monitoring period to		<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar.
3.	<b>Contact information regarding the report</b>	Name	Obligatory	Text field	Filled out by the Beneficiary.
		Last name	Obligatory	Text field	Filled out by the Beneficiary.
		E-mail	Obligatory	Text field	Filled out by the Beneficiary.

**Rules for applicants and beneficiaries**

1.	<b>Information about</b> ○ <b>the progress in implementation of the project for the monitoring period</b>	Description of the progress in the implementation for the monitoring period	Obligatory for individual projects and major projects whose key activities are not defined Optional for the projects whose key activities are defined	Text field	Description of the actual progress and achieved state in the implementation of the project. Filled out by the Beneficiary.
4.	<b>Information about</b> ○ <b>the progress in implementation of key activities for the monitoring period</b>	Number and title of the key activity	Obligatory in the projects whose key activities are defined		Filled-out automatically, following from the legal act on grant award / transfer.  This is relevant only for the projects whose key activities had been defined.
		Description of the progress in the implementation of the key activity for the monitoring period	Obligatory in the projects whose key activities are defined	Text field	Description of the actual progress and achieved state in the implementation of the key activity. Filled out by the Beneficiary.
2.		<b>Information about fulfilment of the project indicators</b>	Obligatory	///	Information about objective progress in the project.



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
	Information about fulfilment of the indicators				In simplified projects (SP), whose indicators are connected with the units of the activities within the SP, the achieved values of the indicators are transferred from the section <i>Information about fulfilment of the indicators of the units of the SP activities</i> (see below).
		Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator which the Beneficiary had committed itself to, and they are completed according to the legal act on grant award / transfer.
		Unit of measure	Obligatory	Format according to NCI 2014+	
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	
		Achieved value (for monitoring period)	Obligatory	Format according to NCI 2014+	It is the value achieved for the monitoring period which the report is submitted for.  Filled out by the Beneficiary in accordance with the facts.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory	Fulfilment	Comments
		Achieved value (cumulatively)	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the physical implementation of the project to the end of the monitoring period which the report is submitted for. Filled out by the Beneficiary in accordance with the facts. In simplified projects: automatically.
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected by the Beneficiary from the calendar.
		Percentage of fulfilment of the target value	Obligatory		Automatically. If the target value of the indicator is not a part of the legal act on grant award / transfer, N/A will be used.
		<b>Information about fulfilment of the indicators for the units of the SP activities</b>	Obligatory in the simplified projects whose indicators are connected with the units of activities of the SP	///	Information about objective progress at the level of units of the SP activities.  This is shown only in relevant simplified projects.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number and title of the SP activity	Obligatory in the simplified projects whose indicators are connected	Format according to the code list of unit costs <sup>123</sup>	Filled out in compliance with the legal act on grant award / transfer.
		Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator which the Beneficiary had committed itself to, and they are completed according to the legal act on grant award / transfer.
		Unit of measure	Obligatory	Format according to NCI 2014+	
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	
		Achieved value (for monitoring period)	Obligatory	Format according to NCI 2014+	It is the value achieved for the monitoring period which the report is submitted for. Filled out by the Beneficiary in accordance with the facts.
		Achieved value (cumulatively)	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the physical implementation of the project to the end of the monitored

<sup>123</sup> The code list is developed by the MA when defining the call for simplified projects.

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					<p>period for which the report is submitted for.</p> <p>Filled out by the Beneficiary in accordance with the facts.</p> <p>In simplified projects: automatically.</p>
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected by the Beneficiary from the calendar.
		Percentage of fulfilment of the target value	Obligatory		Automatically. If the target value of the indicator is not a part of the legal act on grant award / transfer, N/A will be used.
3.	<b>Information about fulfilment of the activities of the simplified project</b>	Number and title of the SP activity	Obligatory	Format according to the code list of unit costs <sup>124</sup>	Filled-out automatically, following from the legal act on grant award / transfer.
		Number and title of the unit	Obligatory	Format according to the code list of unit costs	
		Number of units within the activity of the simplified project	Obligatory	Number	

<sup>124</sup> The code list is developed by the MA when defining the call for simplified projects (for more information, refer to the Methodological Guideline (MG) for call management and project evaluation 2014–2020 and MP MS2014+).

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Costs per one unit	Obligatory	Financial amount rounded to 2 decimal places	
		Total costs for the given number of the units within the activity of the simplified project	Obligatory	Financial amount rounded to 2 decimal places	
		Total amount of approved units from the previous final report on project implementation - simplified project.	Obligatory	Number	Filled-out automatically according to the previous approved final reports on project implementation-simplified project.
		<b>Proven by the Beneficiary</b>	Obligatory	///	The part containing the information about the progress achieved; and about drawing within the simplified project for the monitoring period and from the beginning of the implementation of the project.
		Achieved number of units (for the monitoring period)	Obligatory	Format according to the code list of unit costs	It is the value achieved for the monitoring period for which the report is submitted for.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number of the units achieved (cumulatively)	Obligatory	Format according to the code list of unit costs	This is a cumulative value from the beginning of the implementation of the project to the end of the monitoring period which the report is submitted for. Automatically.
		Remaining to be achieved	Obligatory	Format according to the code list of unit costs	Automatically.
		Proven eligible expenditure for the units achieved (for the monitoring period)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Proven eligible expenditure for the units achieved (cumulatively)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Remaining to be drawn	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		<b>Approved by the MA / IB if the MA/IB participates in the implementation</b>	Obligatory	///	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager. Beneficiary, when filling out the final implementation report and report on project sustainability

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					can see this part, however, it is not available for editing.
		Approved number of the units achieved (for the monitoring period)	Obligatory	Format according to the code list of unit costs	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager, in the summary of outputs.
		Approved number of the units achieved (cumulatively)	Obligatory	Format according to the code list of unit costs	Automatically.
		Remaining to be achieved	Obligatory	Format according to the code list of unit costs	Automatically.
		Approved eligible expenditure for the units achieved (for the monitoring period)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Approved eligible expenditure for the units achieved (cumulatively)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Remaining to be drawn	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		<b>Correction</b>	Obligatory	///	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation –

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					Project manager. While filling out the final report on project implementation - simplified project the Beneficiary can see this part; however, it is not available for editing.
		Corrected number of units (for the monitoring period)	Obligatory	Format according to the code list of unit costs	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager, in the summary of outputs.
		Corrected/ineligible expenditure	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Correction method	Obligatory	Text field.	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager, in the summary of outputs.
		Rationalization of the correction for the Beneficiary	Obligatory	Text field.	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager, in the summary of outputs.
4.		Number of employees		Number	Definition pursuant to Regulation 651/2014. Note: FTE

**Rules for applicants and beneficiaries**



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
	<b>Information about company variables</b>	Annual turnover		Number	Definition pursuant to Regulation 651/2014.
		Balance sum shown in the annual balance sheet		Number	Definition pursuant to Regulation 651/2014.
		Size of the enterprise		Automatically – code list: – micro enterprise – small-sized enterprise – medium-size enterprise – large enterprise	Filled-out automatically, pursuant to EC Regulation 651/2014, Annex 1, following from the data provided in the preceding sections.
5.	<b>Information about fulfilment of synergy</b>	Registration number and title of the project which the project is synergistic with	Obligatory in the projects categorized as "synergistic"; only in the Final report on project implementation		Identification of the mirror (synergistic) project. Filled-out automatically, following from the data in the legal act on grant award / transfer.
		Description of the progress in implementation of the synergistic links	Obligatory in the projects categorized as "synergistic"; only in the Final report on project implementation	Text field	Evaluation of the project's contribution in connection with the mirror (synergistic) project. The added value of the mutual implementation of both synergistic projects,

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					description of the collaboration between the beneficiaries etc. Filled out by the Beneficiary.
6.	<b>Information about fulfilment of horizontal principles</b>	Description of fulfilment of the project objectives in the field of equal opportunities and non-discrimination	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of the horizontal principle of equality between men and
		Description of fulfilment of the project objectives in terms of ensuring equality between men and women.	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of the horizontal principle of equality between men and
		Description of fulfilment of the project objectives in the field of environmental impact	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application ○ – positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of ENVI indicators. Fulfilment of ENVI indicators is automatically connected with the "Indicators" tab.

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
5.	<b>Information about the income</b>	Amount of the income actually achieved, pursuant to art. 61, for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		The amount of the income actually achieved, pursuant to art. 61, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation.
		Amount of the other income actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other income actually achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation
		Amount of the operating costs actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		The amount of achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on implementation.
		Amount of the other net income actually achieved for the monitoring period	Obligatory for the ESF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other net income actually achieved, cumulatively	Obligatory for the ESF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation.
		Recounted in the CBA module	Obligatory for individual projects	Code list – yes – no	The recount is obligatory in the Final report on project implementation for the projects which include the calculation in the CBA module. Filled out by the Beneficiary.
		Annex – CBA Calculation (processed beyond the CBA module in the MS2014+)	Obligatory for individual projects having exception in the Methodological Guideline for call management and project evaluation	File	Uploaded by the Beneficiary.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
			2014–2020 and major projects		
7	<b>Information about the progress in public contracts</b>	For more information, refer to chapter 12			Relevant for the projects within which public contracts are planned/implemented.  The data items displayed depend on the progress in the preparation or implementation of the public contract/contracts.
8	<b>Information about inspections carried out at the Beneficiary during the period which this report is submitted for (beyond the inspections carried out from the level of the provider of the financial assistance)</b>	Control authority	Obligatory	Code list	The Beneficiary will select one item from the code list.
		Date of beginning of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
		Date of end of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	
		Conclusion / Outcome of the inspection	Obligatory	Code list – without findings – with findings	Determination of the result of the inspection.  The Beneficiary will select one item from the code list.
		Annex – Inspection report/Audit report	Obligatory	File	Uploaded by the Beneficiary if the conclusion/output of the

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					inspection was with finding(s).
9.	Information about ensuring the obligatory publicity	<b>Obligatory tools:</b>	Obligatory	///	
		Large-size panel/billboard in ERDF/FS projects valued over EUR 500 000	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted by means of the exchange rate valid at the time of concluding the legal act on grant award / transfer.  Filled out by the Beneficiary. One item is selected from the code list.
		Permanent panel/plaque in ERDF/FS projects valued over EUR 500 000	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					by means of the exchange rate valid at the time of concluding the legal act on on grant award / transfer.  Filled out by the Beneficiary. One item is selected from the code list.
		Poster - in ESF projects and in ERDF/CF projects valued less than EUR 500 000, size A3 or larger	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on on grant award / transfer.  The allocation for total eligible expenditure in CZK is converted by means of the exchange rate valid at the time of concluding the legal act on grant award / transfer.  Filled out by the Beneficiary. One item is selected from the code list.
		Poster - in ERDF/CF projects valued	Obligatory for the projects meeting the condition	Code list: – yes	Displayed only for relevant projects according to the legal act on

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		over EUR 500 000, size A3 or larger		<ul style="list-style-type: none"> <li>– not yet</li> <li>– not applicable</li> </ul>	<p>on grant award / transfer.</p> <p>The allocation for total eligible expenditure in CZK is converted by means of the exchange rate valid at the time of concluding the legal act on grant award / transfer.</p> <p>Filled out by the Beneficiary. One item is selected from the code list.</p>
		<b>Obligatory elements (logos, reference to the fund, slogan and other obligatory formal requirements)</b>	Obligatory	///	
		Obligatory elements are shown in the documents, on websites or other carriers funded from European funds in conformity with the Rules for Applicants and Beneficiaries, in compliance with obligatory technical parameters.	Obligatory	<p>Code list:</p> <ul style="list-style-type: none"> <li>– yes</li> <li>– not yet</li> <li>– not applicable</li> </ul>	<p>Filled out by the Beneficiary. One item is selected from the code list.</p>



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
10.	Affidavits	List of Affidavits	Obligatory	Text field with the wording of the Affidavit/Affidavits	The Beneficiary selects from the Affidavits available, and, by means of its electronic signature used in the Final report on project implementation, the Beneficiary agrees with the wording.

### Annex 3: Sample – Final report for the entire period of the project implementation

The sample comprises the required minimum number of obligatory sections. Within a particular call, both the obligatory and the optional sections may be extended. Introductory page

Data item	Fulfilment	Comments
Document title	Final report for the whole implementation period of the individual project X Final report for the whole implementation period of the major project No. X	Automatically X = project registration number
Programme / Partnership agreement	Code list	Automatically
Type of document	Implementation	Automatically
Type of document	Code list – Report on implementation of individual project– Report on implementation of major project	Automatically
Logo		Automatically

#### Content of document

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
1.	General information about the project	Project registration number	Obligatory		Filled-out automatically; only the data items and relevant data
		Project title			
		Name of the Beneficiary			

#### *Rules for applicants and beneficiaries*

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Type of operation		Code list –national individual project– major	to the given project are shown.
		Attribute of the project		Code list – integrated – synergistic – complementary – irrelevant	
		Number and title of the integrated tool (if the project is "integrated")			
		Number and title of the project/s with which the project is "synergistic"			
		Number and title of the programme under which the project is co-funded			
		Number and title of the priority axis/ Union priority			
		Number and title of the investment priority/specific objective (EMFF)			

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number and title of the measure (EMFF)			
		Number and title of the plan (EMFF)			
		Number and title of the specific objective/ objectives			
		Fund			
		Sequence of the stage			Filled out by the Beneficiary (if the project is divided in stages).
2.	<b>Information about the report</b>	Report identification number	Obligatory		Automatically
		Type or report		"final"	
		Report sequence number			
		Date of submission		<a href="#">dd.mm.yyyy</a>	Date of submission of the report to MA/IB by the Beneficiary (in case that the MA/IB participates in the
		Monitoring period from		<a href="#">dd.mm.yyyy</a>	Filled-out automatically. Date of issue of the legal act on granting / transfer of the financial assistance; or date of start of the implementation, if

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					if precedes the date of issue of the legal act on granting / transfer of the financial assistance; or the date following after the date shown in the "Monitoring period to" in the preceding report.
		Monitoring period to		<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar. Date of physical completion of the project.
1.	<b>Contact information regarding the report</b>	Name	Obligatory	Text field	Filled out by the Beneficiary.
		Last name	Obligatory	Text field	Filled out by the Beneficiary.
		E-mail	Obligatory	Text field	Filled out by the Beneficiary.
3.	<b>Information about the course of the implementation</b>	Description of the course of the implementation of the project	Obligatory for individual projects, major projects and simplified projects, whose key activities are not defined.  Optional for the projects whose	Text field	Filled out by the Beneficiary.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
			key activities are defined		
2	<b>Information about fulfilment of key activities</b>	Number and title of the key activity	Obligatory in the projects whose key activities are defined		Filled-out automatically, following from the legal act on grant award / transfer.  This is relevant only for the projects whose key activities had been defined.
		Description of fulfilment of the key activity during implementation of the project	Obligatory in the projects whose key activities are defined	Text field	Filled out by the Beneficiary.
3	<b>Information about fulfilment of indicators</b>	Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator which the Beneficiary had committed itself to, and they are completed according to the legal act on grant award / transfer.
		Unit of measure	Obligatory	Format according to NCI 2014+	
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	
		Achieved value	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the implementation of the project Filled out by the Beneficiary in

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar.
		Percentage of fulfilment of the target value	Obligatory		Automatically. If the target value of the indicator is not a part of the legal act on grant award / transfer, N/A will be used.
4.	<b>Information about fulfilment of synergy</b>	Registration number and title of the project which the project is synergistic with	Obligatory in the projects categorized as "synergistic"		Identification of the mirror (synergistic) project. Filled-out automatically, following from the legal act on grant award / transfer.
		Description of the progress in implementation of the synergistic link	Obligatory in the projects categorized as "synergistic"	Text field	Evaluation of the project's contribution in connection with the mirror (synergistic) project. The added value of the mutual implementation of both synergistic projects; description of the collaboration between the beneficiaries etc. Filled out by the Beneficiary.
4.	<b>Information about fulfilment of horizontal</b>	Description of fulfilment of the project objectives in the field of	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application	Text field	Within this text field, the Beneficiary will describe the measures introduced to

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
	<b>principles</b>	ensure equal opportunities and non-discrimination	○ – positive or solely targeted		ensure fulfilment of the horizontal principle of equality between men and women.
		Description of fulfilment of the project objectives in terms of ensuring equality between men and women.	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of the horizontal principle of equality between men and women.
		Description of fulfilment of the project objectives in the field of environmental impact	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of ENVI indicators. Fulfilment of ENVI indicators is automatically connected with the "Indicators" tab.
5.	<b>Information about income</b>	Amount of the income actually achieved, pursuant to art. 61, for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		The amount of the income actually achieved, pursuant to art. 61, cumulatively	Obligatory for individual projects and major projects co-funded	Sum rounded to 2 decimal places	Automatically following from the preceding section and preceding final reports on project implementation.



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
			from the ERDF, CF or EMFF		
		Amount of the other income actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other income actually achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation.
		Amount of the operating expenses actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		The amount of achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Amount of the other net income actually achieved for the monitoring period	Obligatory for the ESF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other net income actually achieved, cumulatively	Obligatory for the ESF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation.
		Recounted in the CBA module	Obligatory for individual projects	Code list – yes – no	The recount is obligatory in the final report for the whole implementation period for the projects which include the calculation in the CBA module. Filled out by the Beneficiary.
		Annex – CBA Calculation (processed beyond the CBA module in the MS2014+)	Obligatory for individual projects having exception in the Methodological Guideline for call management and project evaluation 2014–2020 and major projects	File	Uploaded by the Beneficiary.
5.	<b>Information about public contracts</b>		Obligatory		Relevant for the projects within which public contracts are planned/implemented.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					The data items displayed depend on the progress in the preparation or implementation of the public contract/contracts.
6.	<b>Information about inspections carried out at the Beneficiary in the course of the project implementation (beyond the inspections carried out from the level of the provider of the financial assistance)</b>	Control authority	Obligatory	Code list	The Beneficiary will select one item from the code list.
		Date of beginning of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
		Date of end of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	
		Conclusion / Outcome of the inspection	Obligatory	Code list – without findings – with findings	Determination of the result of the inspection. The Beneficiary will select one item from the code list.
		Annex – Inspection report/Audit report	Obligatory	File	Uploaded by the Beneficiary if the conclusion/output of the inspection was with finding(s).
7.	<b>Information about ensuring the obligatory publicity</b>	<b>Obligatory tools</b>	Obligatory	///	
		Large-size panel/billboard in ERDF/CF projects valued over EUR 500 000	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					by means of exchange rate valid at the time of concluding the legal act on grant award / transfer. Filled out by the Beneficiary. One item is selected from the code list.
		Permanent panel/plaque in ERDF/FS projects valued over EUR 500 000	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted by means of the exchange rate valid at the time of concluding the legal act on grant award / transfer. Filled out by the Beneficiary. One item is selected from the code list.
		Poster - in ESF projects and in ERDF/CF projects valued less than EUR 500 000, size A3 or larger	Obligatory for the projects meeting the condition	Code list: – yes – not yet – not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					exchange rate valid at the time of concluding the legal act on grant award / transfer. Filled out by the Beneficiary. One item is selected from the code list.
		Poster - in ERDF/CF projects valued over EUR 500 000, size A3 or larger	Obligatory for the projects meeting the condition	Code list: – yes – not yet not applicable	Displayed only for relevant projects according to the legal act on grant award / transfer. The allocation for total eligible expenditure in CZK is converted by means of the exchange rate valid at the time of concluding the legal act on grant award / transfer. Filled out by the Beneficiary. One item is selected from the code list.
		<b>Obligatory elements (logos, reference to the fund, slogan and other obligatory formal requirements)</b>	Obligatory	///	
		Obligatory elements are shown in the documents, on websites	Obligatory	Code list: – yes	Filled out by the Beneficiary. One item is selected from the code list.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		or other carriers funded from European funds in conformity with the Rules for Applicants and Beneficiaries.		– not yet – not applicable	
6.	<b>Affidavits</b>	List of Affidavits	Obligatory	Text field with the wording of the Affidavit/declarations	The Beneficiary selects from the Affidavits available, and, by means of its electronic signature used in the Final report on project implementation, the Beneficiary agrees with the wording.

## Annex 4: Sample - Information on project implementation progress

The sample comprises the required minimum number of obligatory sections. **Within a particular call, both the obligatory and the optional sections may be extended.**

### Introductory page

Data item	Fulfilment	Comments
<b>Document title</b>	Information on project implementation progress - individual project No. X Information on project implementation progress - major project No. X Information on project implementation progress - simplified project No. X	Automatically X = project registration number
<b>Programme / Partnership agreement</b>	Code list	Automatically
<b>Type of document</b>	Implementation	Automatically
<b>Type of document</b>	Code list – Information on project implementation progress - individual project – Information on project implementation progress - individual project – Information on project implementation progress - individual project	
<b>Logo</b>		Automatically

## Content of document

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
7.	<b>General information about the project</b>	Project registration number	Obligatory		Filled-out automatically; only the data items and to the given project are shown.
		Project title			
		Name of the Beneficiary			
		Type of operation		Code list – national individual project – major project – simplified project	
		Attribute of the project		Code list 1. integrated 2. synergistic 3. complementary 4. irrelevant	
		Number and title of the integrated tool (if the project is "integrated")			
Number and title of the project/s with which the project is "synergistic"					

### **Rules for applicants and beneficiaries**



Number	Data item	Obligatory character	Fulfilment	Comments
	Number and title of the programme under which the project is co-funded			
	Number and title of the priority axis/ Union priority			
	Number and title of the investment priority/specific objective (EMFF)			
	Number and title of the measure (EMFF)			
	Number and title of the plan (EMFF)			
	Number and title of the specific objective/ objectives			
	Fund			
	Sequence of the stage			
5.	<b>Identification of the information</b>	Information identification number	Obligatory	Automatically
		Report sequence number		

**Rules for applicants and beneficiaries**

Number	Data item	Obligatory character	Fulfilment	Comments	
	Date of submission		<a href="#">dd.mm.yyyy</a>	Date of submission of the report to MA/IB by the Beneficiary (in case that the MA/IB participates in the implementation). Filled-out automatically.	
	Monitoring period from		<a href="#">dd.mm.yyyy</a>	Filled-out automatically. Date of issue of the legal act on granting / transfer of the financial assistance; or date of start of the implementation, if precedes the date of issue of the legal act on granting / transfer of the financial assistance; or the date following after the date shown in the "Monitoring period to" in the preceding report.	
	Monitoring period to		<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar.	
8	<b>Contact information regarding the information</b>	Name	Obligatory	Text field	Filled out by the Beneficiary.
		Last name	Obligatory	Text field	Filled out by the Beneficiary.
		E-mail	Obligatory	Text field	Filled out by the Beneficiary.
9	<b>Information on project implementation progress for the monitored</b>	Description of implementation progress in the monitoring period	Obligatory for individual projects, major projects	Text field	Description of the actual progress and achieved state in the implementation of the project. Filled out by the Beneficiary.

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
	period		and simplified projects, whose key activities are not defined.  Optional for the projects whose key activities are defined		
10	<b>Information about the progress in implementation of key activities for the monitored period</b>	Number and title of the key activity	Obligatory in the projects whose key activities are defined		Filled-out automatically, following from the legal act on grant award / transfer.  This is relevant only for the projects whose key activities had been defined.
		Description of the progress in the implementation of the key activity for the monitoring period	Obligatory in the projects whose key activities are defined	Text field	Description of the actual progress and achieved state in the implementation of the key activity. Filled out by the Beneficiary.
11	<b>Information about fulfilment of indicators</b>	<b>Information about fulfilment of the project indicators</b>	Obligatory	///	Information about objective progress in the project.  In simplified projects, whose indicators are connected with the units of the activities within the simplified project, the

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					of the indicators are taken from the section <i>Information about fulfilment of indicators of the units of the SP</i> (see below).
		Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator which the Beneficiary had committed itself to, and they are completed according to the legal act on grant award / transfer.
		Unit of measure	Obligatory	Format according to NCI 2014+	
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	
		Achieved value (for monitoring period)	Obligatory	Format according to NCI 2014+	It is the value achieved for the monitoring period which the report is submitted for.  Filled out by the Beneficiary in accordance with the facts.
		Achieved value (cumulatively)	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the implementation of the project to the end of the monitoring period which the report is submitted for.  Filled out by the Beneficiary in accordance with the facts.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					In simplified projects: automatically.
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected by the Beneficiary from the calendar.
		<b>Information about fulfilment of the indicators for the units of the SP activities</b>	Obligatory in the simplified projects whose indicators are connected with the units of the SP activities	///	Information about objective progress at the level of units of SP activities.  This is shown only in relevant simplified projects.
		Number and title of the SP activity	Obligatory in the simplified projects whose indicators are connected	Format according to the code list of unit costs <sup>125</sup>	Filled out in compliance with the legal act on grant award / transfer.
		Number and title of the unit	Optional	Format according to the code list of unit costs	
		Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator which the Beneficiary had committed itself to, and they are completed according to the legal act on
		Unit of measure	Obligatory	Format according to NCI 2014+	
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					grant award / transfer.
		Achieved value (for monitoring period)	Obligatory	Format according to NCI 2014+	It is the value achieved for the monitoring period which the report is submitted for.  Filled out by the Beneficiary in accordance with the facts.
		Achieved value (cumulatively)	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the implementation of the project to the end of the monitoring period which the report is submitted for.  Filled out by the Beneficiary in accordance with the facts.  In simplified projects: automatically.
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected by the Beneficiary from the calendar.
		Percentage of fulfilment of the target value	Obligatory		Automatically.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
12.	<b>Information about fulfilment of the activities of the simplified project</b>	Number and title of the SP activity	Obligatory	Format according to the code list of unit costs <sup>126</sup>	Filled-out automatically in compliance with the legal act on grant award / transfer.
		Number and title of the unit	Obligatory	Format according to the code list of unit costs	
		Number of units within the activity of the simplified project	Obligatory	Number	
		Costs per one unit	Obligatory	Financial amount rounded to 2 decimal places	
		Total costs for the given number of the units within the activity of	Obligatory	Financial amount rounded to 2 decimal places	
		Total amount of approved units from the previous final report on project implementation - simplified project	Obligatory	Number	Filled-out automatically according to the previous approved final reports on project implementation - simplified project.
		<b>Proven by the Beneficiary</b>	Obligatory	///	The part containing the information about the progress achieved; and about drawing within the simplified project for the monitoring period and from the beginning of the

<sup>126</sup> The code list is developed by the MA when defining the call for simplified projects (for more information, refer to the Methodological Guideline (MP) for call management and project evaluation 2014–2020 and MP MS2014+).

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number of the units achieved (for the monitoring period)	Obligatory	Format according to the code list of unit costs	It is the value achieved for the monitoring period which the report is submitted for. Filled out by the Beneficiary in accordance with the facts.
		Number of the units achieved (cumulatively)	Obligatory	Format according to the code list of unit costs	This is a cumulative value from the beginning of the implementation of the project to the end of the monitoring period which the report is submitted for. Automatically.
		Remaining to be achieved	Obligatory	Format according to the code list of unit costs	Automatically.
		Proven eligible expenditure for the units achieved (for the monitoring period)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Proven eligible expenditure for the units achieved (cumulatively)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Remaining to be drawn	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.

**Rules for applicants and beneficiaries**



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		<b>Approved by the MA / IB if the MA/IB participates in the implementation</b>	Obligatory	///	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager. While filling out the final report on project implementation - simplified project, the Beneficiary can see this part; however, it is not available for editing.
		Approved number of the units achieved (for the monitoring period)	Obligatory	Format according to the code list of unit costs	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager, in the summary of outputs.
		Approved number of the units achieved (cumulatively)	Obligatory	Format according to the code list of unit costs	Automatically.
		Remaining to be achieved	Obligatory	Format according to the code list of unit costs	Automatically.
		Approved eligible expenditure for the units achieved (for the monitoring period)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Approved eligible expenditure for the units achieved (cumulatively)	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.

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Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Remaining to be drawn	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		<b>Correction</b>	Obligatory	///	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project manager. While filling out the final report on project implementation - simplified project, the Beneficiary can see
		Corrected number of units (for the monitoring period)	Obligatory	Format according to the code list of unit costs	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project
		Correction /ineligible expenditure	Obligatory	Financial amount rounded to 2 decimal places	Automatically. The amount is shown in CZK.
		Correction method	Obligatory	Text field.	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project
		Rationalization of the correction for the Beneficiary	Obligatory	Text field.	The part to be filled out by the MA/IB in case that the MA/IB participate in the implementation – project

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
13.	Information about ○ the progress in public contracts				Relevant for the projects within which public contracts are planned/implemented.  The data items displayed depend on the progress in the preparation or implementation of the public contract/contracts.
14.	Information about inspections carried out at the Beneficiary during the period which this report is submitted for (beyond the inspections carried out from the level of the provider of the financial assistance)	Control authority	Obligatory	Code list	The Beneficiary will select one item from the code list.
		Date of beginning of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
		Date of end of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	
		Subject-matter of the inspection	Optional	Text field.	Specification of the subject-matter of the inspection.  Filled out by the Beneficiary.
		Conclusion / Outcome of the inspection	Obligatory	Code list – without findings – with findings	Determination of the result of the inspection.  The Beneficiary will select one item from the code list.
		Annex – Inspection report/Audit report	Obligatory	File	Uploaded by the Beneficiary if the conclusion/output of the inspection was with finding(s).

	<b>Chapter</b>	<b>Data item</b>	<b>Obligatory character</b>	<b>Fulfilment</b>	<b>Comments</b>
6.	<b>Affidavits</b>	List of Affidavits	Obligatory	Text field with the wording of the Affidavit/declarations	The Beneficiary selects from the Affidavits available, and, by means of its electronic signature used in the Final report on project implementation, the Beneficiary

## Annex 5: Sample – Report on sustainability

The sample comprises the required minimum number of obligatory sections. **Within a particular call, both the obligatory and the optional sections may be extended. Introductory page**

Data item	Fulfilment	Comments
<b>Document title</b>	interim report on sustainability - individual project No. X/ final report on sustainability individual project noNo. X interim report on sustainability - major project No. X/ final report on sustainability– major project No. X	Automatically X = project registration number
<b>Programme / Partnership agreement</b>	Code list	Automatically
<b>Type of document</b>	Implementation	Automatically
<b>Type of document</b>	Code list Report un sustainability – individual project Report un sustainability – major project	Automatically
<b>Logo</b>		Automatically

### Content of document

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
8.	<b>General information about the project</b>	Project registration number	Obligatory		Filled-out automatically; only the data items and
		Project title			

#### *Rules for applicants and beneficiaries*

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Name of the Beneficiary			the data relevant to the given project are shown.
		Type of operation		Code list – individual project – major project	
		Attribute of the project		Code list 7. integrated 8. synergistic 9. complementary – irrelevant	
		Number and title of the integrated tool (if the project is "integrated")			
		Number and title of the project/s with which the project is "synergistic"			
		Number and title of the programme under which the project is co-funded			
		Number and title of the priority axis/ Union priority			

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Number and title of the investment priority/specific objective (EMFF)			
		Number and title of the measure (EMFF)			
		Number and title of the plan (EMFF)			
		Number and title of the specific objective/ objectives			
		Fund			
6.	<b>Information about the report</b>	Report identification number	Obligatory		Automatically
		Type or report		Code list – interim – final	
		Report sequence number			
		Date of submission		<a href="#">dd.mm.yyyy</a>	Date of submission of the report to MA/IB by the Beneficiary (in case that the MA/IB participates in the implementation). Filled-out
		Monitoring period from		<a href="#">dd.mm.yyyy</a>	Filled-out automatically. Date of issue of the legal

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					act on grant award / transfer, or the date following after the date shown in the "Monitoring period to" in the preceding report.
		Monitoring period to		<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar.
9.	<b>Contact information regarding the report</b>	Name	Obligatory	Text field	Filled out by the Beneficiary.
		Last name	Obligatory	Text field	Filled out by the Beneficiary.
		E-mail	Obligatory	Text field	Filled out by the Beneficiary.
7.	<b>Information about fulfilment of sustainability of the project</b>	Description of fulfilment of sustainability of the project	Obligatory	Text field	Description of the state of the project during its sustainability period. Filled out by the Beneficiary.
		Was the manufacturing activity interrupted or moved out of the programme area?	Obligatory	Code list – yes – no	The Beneficiary selects one item from the code list.
		Explanation	Obligatory	Text field	If the Beneficiary selects "yes", it is necessary to provide detailed explanation of the change.
		Is there a change made in the ownership of an infrastructure item,	Obligatory	Code list – yes	The Beneficiary selects one item from the code list.

**Rules for applicants and beneficiaries**



Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		which brings the enterprise/public entity an undue advantage?		- no	
		Explanation	Obligatory	Text field	If the Beneficiary selects "yes", it is necessary to provide detailed explanation of the change.
		Is there a major change, which adversely affects the character, objectives or implementation conditions of the operation thus may pose a threat to the originally defined objectives?	Obligatory	Code list - yes - no	The Beneficiary selects one item from the code list.
		Explanation	Obligatory	Text field	If the Beneficiary selects "yes", it is necessary to provide detailed explanation of the change.
		Date of completion of approval process	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
		Date of putting the construction in permanent operation	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
8.	<b>Information about fulfilment of indicators</b>	Code and title of the indicator	Obligatory	Format according to NCI 2014+	Filled-out automatically according to NCI 2014+. The data are completed for every indicator
		Unit of measure	Obligatory	Format according to NCI 2014+	

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Environmental indicator (ENVI)	Obligatory	Format according to NCI 2014+	which the Beneficiary had committed itself to, and they are completed according to the legal act on grant award / transfer.
		Achieved value	Obligatory	Format according to NCI 2014+	This is a cumulative value from the beginning of the implementation of the project Filled out by the Beneficiary in accordance with the facts.
		Date of the value achievement	Obligatory	<a href="#">dd.mm.yyyy</a>	Filled out by the Beneficiary. Selected from the calendar.
		Percentage of fulfilment of the target value	Obligatory		Automatically. If the target value of the indicator is not a part of the legal act on grant award / transfer, N/A will be used.
10.	<b>Information about fulfilment of synergy</b>	Registration number and title of the project which the project is synergistic with	Obligatory in the projects categorized as "synergistic"		Identification of the mirror (synergistic) project. Filled-out automatically, following from the data in the legal act on grant award / transfer.
		Description of fulfilment of the synergistic link	Obligatory in the projects categorized as "synergistic"	Text field	Evaluation of the project's contribution in connection with the mirror (synergistic)

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
					project. The added value of the mutual implementation of both synergistic projects; description of the collaboration between the beneficiaries etc. Filled out by the Beneficiary.
9.	<b>Information about fulfilment of horizontal principles</b>	Description of fulfilment of the project objectives in the field of equal opportunities and non-discrimination	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of the horizontal principle of equality between men and
		Description of fulfilment of the project objectives in terms of ensuring equality between men and women.	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of the horizontal principle of equality between men and women.
		Description of fulfilment of the project objectives in the field of environmental impact	Obligatory in the projects where such objective is stated by the Applicant/ Beneficiary in the grant application ○ – positive or solely targeted	Text field	Within this text field, the Beneficiary will describe the measures introduced to ensure fulfilment of ENVI indicators. Fulfilment of ENVI indicators is automatically connected with the "Indicators" tab.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
10.	<b>Information about the income</b>	Amount of the income actually achieved, pursuant to art. 61, for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Financial amount rounded to 2 decimal places	Filled out by the Beneficiary.
		The amount of the income actually achieved, pursuant to art. 61, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Financial amount rounded to 2 decimal places	Automatically, following from the preceding section and preceding final implementation reports on project implementation and Report on project sustainability.
		Amount of the other income actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Financial amount rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other income actually achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Financial amount rounded to 2 decimal places	Automatically, following from the preceding section and preceding final report on project implementation and Report on project sustainability.

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Amount of the operating costs actually achieved for the monitoring period	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		The amount of achieved, cumulatively	Obligatory for individual projects and major projects co-funded from the ERDF, CF or EMFF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation and report on project sustainability.
		Amount of the other net income actually achieved for the monitoring period	Obligatory for the ESF	Sum rounded to 2 decimal places	Filled out by the Beneficiary.
		Amount of the other net income actually achieved, cumulatively	Obligatory for the ESF	Sum rounded to 2 decimal places	Automatically, following from the preceding section and preceding final reports on project implementation and
		Recounted in the CBA module	Obligatory for individual projects	Code list – yes – no	The recount is obligatory in the report on project sustainability which include the calculation in the CBA module. Filled out by the Beneficiary.

**Rules for applicants and beneficiaries**

Number	Chapter	Data item	Obligatory character	Fulfilment	Comments
		Annex – CBA Calculation (processed beyond the CBA module in the MS2014+)	Obligatory for individual projects having exception in the Methodological Guideline for call management and project evaluation 2014–2020 and major	File	Uploaded by the Beneficiary.
11.	<b>Information about inspections carried out at the Beneficiary during the period which this report is submitted for (beyond the inspections carried out from the level of the provider of the financial assistance)</b>	Control authority	Obligatory	Code list	The Beneficiary will select one item from the code list.
		Date of beginning of the	Obligatory	<a href="#">dd.mm.yyyy</a>	Selected by the Beneficiary from the calendar.
		Date of end of the inspection	Obligatory	<a href="#">dd.mm.yyyy</a>	
		Conclusion / Outcome of the inspection	Obligatory	Code list – without findings – with findings	Determination of the result of the inspection. The Beneficiary will select one item from the code list.
		Annex – Inspection report/Audit report	Obligatory	File	Uploaded by the Beneficiary if the conclusion/output of the inspection was with finding(s).
12.	<b>Affidavits</b>	List of Affidavits	Obligatory	Text field with the wording of the Affidavit/declarations	The Beneficiary selects from the Affidavits available, and, by means of its electronic signature used in the final report on project sustainability, the Beneficiary certifies its agreement with the wording.

**Rules for applicants and beneficiaries**

## **Annex 6: Contractual terms for construction works contracts**

The Beneficiary, who awards public contracts on construction work under the threshold or in excess of the threshold pursuant to Act No. 137/2006 Coll., and the Beneficiary, who awards contracts on small-value construction work or the Beneficiary, who awards contracts on high-value construction work shall include at least the terms below in their contract documentation.

### **1 Introduction**

1.1 The conditions apply to all contracts on construction work unless they contain a provision restricting the type or volume of the construction work.

### **2. Stipulation of terms**

2.1 The contracting entity may stipulate the terms by referring to general terms provided by expert or interest organizations or stipulate other conditions under Section 1751 and the following Act No. 89/2012 Coll. of the Civil Code (hereafter “new Civil Code”).

2.2 The title, contracting entity, date of issue and date of entry into force must be clearly stated in the general terms to prevent any confusion of documents.

2.3 The contracting entity must include the general terms in the procurement procedure documents unless they are freely accessible via unlimited distant access.

2.4 If general terms are not used, the contracting entity is obliged to ensure compliance of the final terms with Regulation No. 231/2012 Coll. on Terms of Public Works Contracts (hereafter “Regulation No. 231/2012 Coll.”).

2.5 The contracting entity reserves the right to amend the provisions of the general terms in the form of special terms containing only differing provisions in cases, where the type of construction, type of construction work or performance conditions require so.

2.6 The contracting entity may also stipulate the terms in the form of other terms under s. 1751 and the following provisions of new Civil Code. These terms must always be included in the procurement procedure documents.

2.7 All provisions of the terms stipulated by the contracting entity must comply with Regulation No. 231/2012 Coll. and formal requirements of the Rules for Selecting Suppliers (Public Procurement Rules).

### **3.1. Draft of the contract for work**

3.1 The contracting entity must stipulate the terms in the procurement procedure documents also in the form of a binding draft of the contract for work.

3.2 The draft of the contract for work must provide for the priority of documents and the terms arising out of them must be in compliance with the obligatory formal requirements of the Public Procurement Rules.

### **4. Obligatory formal requirements of the terms**

4.1 The terms contain provisions in defined in individual chapters in the following scope.

4.2 The terms stipulate the definitions of individual terms as follows:

- a) Contractee is the contracting authority after closing the contract for fulfilment of public contract or contract.
- b) Customer is the supplier after entering into the contract on performing a public contract or contract.
- a) Subcontractor is the sub-supplier after entering into the contract on performing a public contract or contract.
- b) Relevant documents are the documents in the scope stipulated under different legislation (Regulation No. 231/2012 Coll.)
- c) Itemized budget is the list of construction works, supplies and services priced by the contractor, which includes unit prices for all items of construction works, supplies and services and their total prices for the amount determined by the contracting entity.

4.3 The terms must always provide for the definitions and deadlines of:

- a) Handover and takeover of the construction site,
- b) Start of the construction works,
- c) Termination of the construction works,
- d) Handover and acceptance of the construction,
- e) Beginning of the warranty period.

4.4 The terms must provide for the method of handover and acceptance of the Work.

## **5. Contractee's obligations**

5.1 The terms contain provisions on handover and acceptance of relevant documents under Regulation No. 231/2012 Coll.

5.2 The terms provide for the Contractee's liability for the accuracy and completeness of the relevant documents; the Contractee must not transfer the liability on the Contractor in any form.

5.3 The terms must stipulate the obligations of the Contractee, if this arises out of special legislation, and appoint the Construction Site Safety Coordinator. The Contractee must not transfer the liability on the Contractor in any form.

## **6. Contractor's obligations**

6.1 The terms stipulate the Contractor's obligation to ensure the technical supervision of construction and authorial supervision of the project engineer, if necessary the

OHS Coordinator on construction sites, unless stipulated otherwise.

6.2 The terms must stipulate that changing the sub-contractor whom the Contractor used in the procurement procedure to fulfil the qualifications is possible only in exceptional



cases with the consent of the Contractee. The new sub-contractor must fulfil the qualifications in at least in the scope as stated in the procurement procedure.

6.3 The terms may condition other changes of sub-contractors stated in the offer by the Contractor with the consent of the Contractee. However, the Contractee must not withdraw their consent without a serious reason.

6.4 The terms must not make the Contractor liable for the accuracy and completeness of the relevant documents filed by the Contractee or reflect the potential deficiencies of the documents in the price of the Work.

## **7. Subject- of the work**

7.1 The subject- of the work may lie in processing the documentation for the actual implementation of the construction work.

7.2 The subject- of the Work may also be conducting of geodetic measurements for the actual implementation of the construction work

7.3 The subject-matter of the Work may also consist in other activities connected to the performance of the construction work as demanded by the Contractee.

## **8. Price of the work**

8.1 The contractual terms must define what is included in the agreed price.

8.2 The prices stated in the itemized budget by the Contractor must include all costs associated with the construction of the Work, additional costs in connection with the location of the construction and facilities of the construction site and also other costs related to the fulfilment of the conditions in the procurement procedure documents.

## **9. Changes of price of the work**

9.1 The terms must contain a provision on possible changes of the price provided that:

- a) the Contractee demands works not included in the subject-matter of the Work,
- b) the Contractee demands omitting some works from the subject-matter of the Work,
- c) new facts are revealed in the course of the construction, unknown at the time of entering into the contract, which were not caused and could not be predicted by the Contractor, and they affect the Price of the Work,
- d) facts other than those stated in the documents filed by the Contractee are revealed in the course of the construction (e.g. different geodetic data).

9.2 The terms must provide for the procedure of changing the price of the work.

9.3 The terms must stipulate that in case of making changes to works included in the itemized budget, the changed price is calculated on the basis of the unit price of the particular work as stated in the itemized budget.

9.4 If work not included in the itemized budget is changed, the terms must provide for the procedure of calculating the price (e.g. by referring to the unit price stated in a free accessible price system).

9.5 The terms must not contain the procedure of negotiating the price associated with additional construction works, which would be contrary to the relevant provisions of the Public Procurement Act or which might lead to an essential change in the rights and obligations arising from the contract.

## **10. Payment conditions**

10.1 With the exemption of objectively justified cases, the terms stipulate that the price of the work will be paid in the course of the construction on the basis of tax documents (invoices) provided by the Contractor usually once a month, in which case the taxable transaction is due to the last day of the given month.

10.2 The terms stipulate that the list of performed work approved by the Contractee is included in the invoice. The invoice is considered incomplete without this list.

10.3 If the terms provide for a security for due completion of the Work in the form of retention, then the retention amount may be applied only after payment of the arranged price reduced by the retention.

## **11. Payment schedule**

11.1 The terms provide for a payment schedule of tax documents (invoices) for the performed work, deliveries and services in the term that cannot exceed 30 days after the date of delivery of the invoice to the Contractee.

## **12. Contractor's insurance – third-party liability**

12.1 The terms provide for the Contractor's obligation to be insured against damage caused by their activities, including possible damage caused by the Contractor's employees, in the amount corresponding to the possible risks arising from the nature of the construction and its surrounding, for the whole duration of work contract.

12.2 The sum insured and the conditions of fulfilment including the proportionate participation are provided for in the terms.

12.3 The terms may stipulate the requirement for submission of an insurance policy by the Contractor and set the date for its submission following closing the contract on fulfilment of a public work.

## **13. Insurance of the work – construction all risk insurance**

13.1 The terms may stipulate the Contractor's obligation to have a Construction All Risk insurance, which provide for all risks that may arise from the performance of construction or erection works during the whole duration of the work contract implementation up to the date of delivery and acceptance, and that at the price of the work.

13.2 The sum insured and the conditions of insurance payments including proportionate participation must be stipulated by the terms.

13.3 The terms must contain provisions on the contractor's submission of the insurance policy prior to signing the contract, not as a part of the bid.

#### **14. Security of obligations for due completion of the work**

14.1 The terms may stipulate the contractor's obligation to provide the Contractee with a security for the obligation of due completion of the work in the form collateral.

14.2 The amount of the required security must not exceed 5 % of the stipulated price of the work.

14.3 In this case, the terms must provide for the conditions establishing the claim arising from the bank guarantee.

14.4 In this case, the terms must contain a provision on the Contractor's presenting of the original warranty on a given date relative to closing of the work contract, not as part of the bid.

#### **15. Security of obligations for due completion of the Work**

15.1 The terms may stipulate the Contractor's obligation to provide the Contractee with a security for the obligation of due completion of the work on the arranged date in the form of retention.

15.2 The amount of the required security must not exceed 10 % of the arranged price for the work and the Contractee is obliged to pay the retained sum within the deadline without delay (up to 15 days) following the delivery and acceptance of the work, possibly longer up to the time until amendment of deficiencies and arrears stated in the delivery and acceptance protocol.

15.3 The terms must provide for the conditions and date of releasing the retention.

15.4 The terms must enable the contractor to reimburse the retainage by collateral.

#### **16. Security of obligations for due performance of warranty**

16.1 The terms may stipulate the Contractor's obligation to provide the Contractee with a security of the obligation for due performance of the warranty in the form of retainage.

16.2 The amount of the demanded security must not exceed 5 % of the arranged price of the work and the Contractee is obliged to pay the retained sum up to 15 days following the expiry of the warranty.

16.3 The terms may stipulate the conditions and date of releasing the retention.

16.4 The terms must enable the Contractor to reimburse the retention by collateral.

#### **17. Handover and takeover of the construction site**

17.1 The terms define the conditions for the handover and takeover of the construction site.

17.2 The terms must not stipulate the Contractor's obligation to identify the routes and types of engineering networks passing through the construction site but they may

contain the Contractor's obligation to ensure that they are marked and the Contractor's obligation not to damage them provided that the Contractee delivered the documents concerning the engineering networks passing through the construction site to the Contractor.

## **18. Construction site facilities**

18.1 The terms stipulate that the facilities on the construction site are provided by the Contractor in compliance with their needs, documents delivered by the Contractee and the Contractee's requirements.

18.2 The terms stipulate the Contractor's obligation to provide the necessary conditions on the construction site facilities in order to allow the performance of authorial supervision of the Project Engineer and the technical supervision of construction, possibly the activities of the OHS Coordinator on construction site, in the scope necessary.

18.3 The terms set the date for removing the facilities from the construction site and clearing out the site after the handover and acceptance of the Work, possibly define the documents that determine this date.

## **19. Project documents inspection**

19.1 The terms may provide for the obligation on the part of the Contractor, being a competent specialist, to inspect the technical part of the delivered documents before the start of work on the relevant part of the Work at latest and inform the Contractee about the visible deficiencies and imperfections found without unnecessary delay. This inspection does not affect the Contractee's obligation to deliver accurate documents.

19.2 The list of deficiencies and imperfections found in the delivered documents (if any), including the proposals on their remedy and their affect on the subject matter of the Work and the Price of the work, shall be delivered by the Contractor to the Contractee.

## **20. Inspection of the performed works**

20.1 The terms contain rules of inspection carried out by the Contractor of the performed work, stipulate the conditions for scheduling the days of inspection and especially the procedure for inspecting those constructions that will be covered by further works.

## **21. Qualifications of the Contractor's employees**

21.1 The terms may provide that all specialised works will be performed by the Contractor's employees or by their Subcontractors with relevant qualifications.

21.2 In this case, the terms must stipulate the procedure for submitting the proof of qualifications and the procedure in case of failing to fulfil this condition.

## **22. Building Log**

22.1 The terms must contain the Contractor's obligation to keep the Building Log for all public contracts or contracts on construction work, in the scope under the relevant legislation (Regulations relative to the Building Act).

## **23. Delivery and acceptance of the Work**

23.1 The terms must stipulate the Contractee's obligation to organize the delivery and acceptance of the Work, the Contractee's obligation to make a Delivery and Acceptance of Work Protocol, which must contain the Delivery and Acceptance/Non-Acceptance Certificate of Work and the List of possible deficiencies and arrears.

23.2 The terms may provide that the Contractee accepts the Work with deficiencies that as such do not obstruct the usage of the Work. In relation to this, the terms contain conditions and dates for remedying the deficiencies found.

23.3 The terms stipulate the Contractee's obligation to perform the delivery and acceptance of the Work in the presence of persons performing the function of technical supervision of construction, or authorial supervision of the Project Engineer if necessary.

## **24. Warranty period**

24.1 The terms must provide for the 1 warranty period.

24.2 The warranty on construction work must not exceed 60 months.

24.3 The terms of special construction works, possibly of deliveries of machines and other technological devices, may stipulate the warranty period otherwise but such change must be duly justified.

## **25. Contractual penalties for default on the part of the Contractee**

25.1 The terms stipulate the late payment interest for the Contractee with the payment of the complete invoice in the amount of at least 0.015 % from the outstanding amount for each day of delay.

## **26. Contractual penalties for default on the part of the Contractor**

26.1 The terms provide for contractual penalties for failure to perform the terms and conditions on the part of the Contractor. The amount of the contractual penalty must not contradict honest commercial practices and must be proportionate to the type, complexity and nature of the subject matter of the Work.

26.2 The terms stipulate the contractual penalty for delay in completion of the Work. The penalty must not exceed 0.2 % from the price of the work for each new day of delay.

26.3 If it is provided that the Work may be accepted with deficiencies, the terms stipulate contractual penalty for failing to remedy the deficiencies listed in the Delivery and Acceptance of Work Protocol within the set date.

26.4 The contractual penalty must not exceed CZK 1,000, or other amount provided for by the Managing Authority of the Operational Programme Research, Development and Education (OP RDE) for each deficiency that the Contractor fails to remedy within the set date, and for each day of the delay.

26.5 The terms may stipulate a contractual penalty for failing to clean out the construction site within the set date.

26.6 The contractual penalty must not exceed 0.05 % out of the agreed Price of the work for each new day of the delay on the part of the Contractor but at most CZK 50,000 per day.

26.7 The terms may provide for a contractual penalty for the Contractor's delay with remedying deficiencies found during the warranty period.

26.8 If the deficiency obstructs the due use of the Work or may result in serious damage (accident), the terms may stipulate the contractual penalty of up to CZK 10,000 for each claimed deficiency per each day of the delay in relation to which the Contractor is in delay.

26.9 The terms may also stipulate other contractual penalties for breach of the terms and conditions.

## Annex 7: Objection to the impartiality of the inspector

(name of the inspection authority)

.....

( address of the inspection authority)

.....

(place and date of issue)

Ref. No. :

### Objection to the impartiality of the inspector

I hereby submit a complaint against biased inspector under Act No. 255/2012 Coll., s. 10: Mr / Ms (*inspector's personal information – at least first and last name*), who has been authorised with performing the inspection, and who inspected (*specification of the type of inspection or the subject of the inspection, e.g. according to the submitted authorization*) on (*date of the inspection*).

The reason for submission of this complaint is that .....  
.....(*description of specific reasons*)

I n .....

(date).....

.....

(*first and last name of the inspected party*)

.....

(*signature of the inspected party*)

(*official or other stamp<sup>127</sup>*) (*if the inspected party is a legal entity*)

<sup>127</sup> Under the provisions of Act on State Symbols of the Czech Republic, s. 5

## Annex 8: Objection against inspection findings

**Addressed to the inspection authority (name and address of the inspection authority):**  
.....

I hereby submit a complaint against the inspection finding No. .... listed in the protocol of inspection performed in connection with implementation of the project ..... (*project title and registration number*) within the Operational Programme Research, Development and Education.

The finding stated that .....

I do not agree with the inspection finding because .....

**Inspected party:**

(*Name, registered address and ID of the inspected party*)

Signature of the inspected party/governing body of the inspected party:

.....

In ..... (Date) .....



## Annex 9:Objection against notification on non-payment of a part of the grant

In.....(Date) .....

### Objection against the Measure Applied by the Granting Authority pursuant to s. 14(e) of Act No. 218/2000 Coll.

Project registration number	.....
Project title:	.....
Name of the grant beneficiary:	.....
Beneficiary ID:	.....
Beneficiary Registered Address:	.....

On (date) I received the Notification on non-payment of a part of the grant, ref. No. .... stating that the grant /a part of the grant amounting CZK..... will not be paid because(specify the non-compliance which resulted in the correction).

I hereby submit a complaint against this measure within the deadline as specified.  
*Provide detailed justification and support it with relevant documents.*

Annexes:

Name and last name of the representative authorised to act on behalf of the grant beneficiary

#### **Information for the Beneficiary, in relation to complaints against measures applied by granting authority pursuant to s. 14(e) of Act No. 218/2000 Coll.:**

*Any objection against non-payment of a grant or its part/correction (pursuant to provision of s. 14(e) of Act No. 218/2000 Coll., Budgetary Rules) must be submitted within 15 days from the date of delivery.*

*Objections not specifying clearly the subject-matter they are aimed against; objections without justification or objections submitted late or submitted by unauthorised person will be rejected by the objection arbiter as unfounded..*

## Annex 10: List of annexes to grant application – construction work

### Annexes to grant application for projects that include construction work

Grant application for the projects which include construction work must be submitted by the Applicant with the annexes specified below. The particular list of the annexes for every call may be modified in the Rules for Applicants and Beneficiaries – Specific Section.

### Description of annexes to construction projects: Annex: Documents according to the Building Act

The Applicant shall submit all the required documents for all constructions included in the project, in compliance with the following overview (table) and the detailed description provided in this Annex; as a rule, the Applicant shall use the highest applicable option for each construction:

Option within the Annex Documents pursuant to the Building Act	Requirements for the construction and technical part of the project following from the Building Act, and the stage of works	Required	
		Minimum required for submission of grant application	No. later than before the legal act on grant award is issued
<b>A</b>	<b>Building permit issued before submission of application is required</b>	Legitimate building permit or its equivalent (certificate issued by authorised inspector, public law contract)	-
<b>B</b>	<b>Approval of the Building Authority is sufficient and it is secured before submission of the application</b>	Approval of the Building Authority (acknowledgement of silent approval, or Affidavit) – copy of notification of construction -	-
<b>C</b>	<b>Building permit not issued before submission of application or approval of the Building Authority is sufficient and it is not secured before submission of the application</b>	Approval of the Building Authority (acknowledgement of silent approval, or Affidavit) - copy of notification of construction approval/acknowledgement of silent approval or Affidavit)	Approval of the Building Authority (acknowledgement of silent approval, or Affidavit) – Legitimate building permit or its equivalent (certificate issued by authorised inspector, public law contract)
<b>D</b>	<b>construction for which neither building permit nor notification of construction is required by the Building Act</b>	- valid town and country planning approval (acknowledgement of silent approval or Affidavit) – notification of the intention, in order to receive town and country planning approval	

*This table is only for indicative purposes, more detailed information on required documents can be found in the text below.*

All documents are submitted through IS KP14+.

## **Variant A**

**In constructions for which the building permit has already been issued, the following documents shall be submitted:**

- a) *legitimate building permit issued in*** compliance with s. 115 of Act No. 183/2006 Coll., on town and country planning and building code, as amended (the "Building Act"), or s. 66 of Act No. 50/1976 Coll., on town and country planning and building code, as amended (the "cancelled Building Act"), or
- b) *certificate substituting the building permit, issued by authorised inspector*** (pursuant to s. 117 of the Building Act) along with the contract with the authorised inspector and the notification of the construction evaluated by the authorised inspector, submitted to the Building Authority (in compliance with Annex No. 3 to Regulation No. 526/2006 Coll., implementing certain provisions of the Building Act), along with a document which will acknowledge when the notification was delivered to the Building Authority, or
- c) *public law contract*** substituting the building permit pursuant to Section 116 of the Building Act.

All documents as stated herein will be documented at the same time with the grant application. **Variant B**

**In the constructions with approval issued by the Building Authority for the notification of the construction (constructions listed in s. 104 of the Building Act or pursuant to s. 57 of the cancelled Building Act), the following documents shall be submitted:**

- a) *valid approval by the Building Authority issued for the notification of the construction in writing***; or
- b)** in case that the Building Authority has issued a silent approval, the Applicant shall submit, along with the copy of the Notification of the construction provided with the time stamp of the relevant office, also the ***acknowledgement of the Building Authority in writing***, confirming that the silent approval had been issued and that it is valid; or
- c)** only if the the Building Authority refused to issue the acknowledgement mentioned above, in clause (ii), while the reason is neither expired approval nor other fact affecting the feasibility of the construction, the applicant shall submit an ***Affidavit (document created by the applicant itself), stating that, within the statute of limitation, since the date of delivery of the application to the Building Authority, neither rejection nor approval for the said construction has been received, thus the approval has not ceased to be valid.***

All documents as stated herein will be documented at the same time with the grant application. **Option C**

**In case that, as to the date of submission of the grant application, the construction was neither approved on the base of any of the above-specified documents, the applicant shall submit:**

- a) legitimate ***town and country planning decision*** (pursuant to s. 92 or s. 95 of the Building Act , or pursuant to s. 39 of the cancelled Building Act), or the ***town and country planning approval*** (pursuant to s. 96 of the Building Act); or
- b) in case that, pursuant to the Building Act, neither the town and country decision or approval (pursuant to s. 79 of the Building Act) nor the decision on change in use of the land (pursuant to s. 80 of the Building Act) is required, the applicant shall submit the ***Affidavit (document created by the applicant itself), identifying the concrete provision of the Building Act, according to which the above-mentioned is not required by the Building Act; if possible, the Applicant, along with the Affidavit, will submit additional supporting documents, namely the statements made by the Building Authority;***

as well as the following documents:

- c) ***Application for building permit*** pursuant to Annex 2 to Regulation No. 526/2006 Coll., implementing certain provisions of the Building Act, provided with the time stamp of the relevant office to acknowledge when the application was delivered to the Building Authority; or
- d) ***Notification of the construction*** provided with the time stamp of the relevant office to acknowledge when the notification was delivered to the Building Authority; or
- e) ***Contract with authorised inspector*** on inspection of the project documentation (pursuant to s. 117 of the Building Act) in case that the ***authorised inspector has not issued the certificate;*** or
- f) in case of ***combined area management and building procedures*** (pursuant to s. 78 of the Building Act), the Applicant, along with the grant application/before the Decision is issued, shall submit the legitimate building permit, which will be the result of the combined area management and building procedures.

## **Option D**

**In case of a construction for which neither building permit nor notification of construction is required by the Building Act (constructions listed under s. 103 of the Building Act), the following documents shall be submitted<sup>128</sup>:**

- a) legitimate ***town and country planning decision*** (pursuant to s. 92 or s. 95 of the Building Act, or pursuant to s. 39 of the cancelled Building Act), or the ***town and country planning approval*** (pursuant to s. 96 of the Building Act); or

<sup>128</sup> Only in case of a construction for which neither building permit nor notification of construction is required by the Building Act.

b) In case that, pursuant to the Building Act, neither the town and country decision or approval (pursuant to s. 79 of the Building Act) nor the decision on change in use of the land (pursuant to s. 80 of the Building Act) is required, the applicant shall submit the **Affidavit** (*document created by the applicant itself - sample is not available*), identifying the concrete provision of the Building Act, according to which the above-mentioned is not required by the Building Act; if possible, the Applicant, along with the Affidavit, will **submit additional supporting documents**, namely the statements made by the Building Authority.

### **Annex – Project documentation and budget**

This annex is not relevant for projects, which do not contain construction part, i.e. budget of the construction part is 0. This annex is relevant for the projects whose construction part is included in non-eligible expenditure.

The Applicant shall submit the **project documentation** pursuant to Act No. 183/2006 Coll. on town and country planning and building code (Building Act), as amended, at least in the scope as required for applications for town and country decision/ approval<sup>129</sup>, or for applications for building permit, or for notifications of work, produced in compliance with relevant provisions of this act and regulation No. 499/2006 Coll., on construction documentation.

Annex will be documented within the scope corresponding with documents submitted in framework of the annex “Documents pursuant to the Building Act”, i.e. according to the selected variant for each construction.

This annex is documented in electronic form through IS KP14+.

In case of reconstructions or other alterations of the construction the submitted project documentation must clearly define (its graphic and description) the original state, which is not the subject-matter of the project (and also not of the budget) a new state, which is the subject-matter of the project and also the budget.

**Itemized budget** will be submitted in details corresponding with the stage of the prepared project documentation, within the scope of the calculation for the construction as minimum.

The applicant will submit this annex together with submission of grant application.

### **Annex – Documents related to ownership**

The annex consists of all documents necessary for review of the option to implement the project in the proposed locality.

A part of this annex is represented by a list of real estate affected by the project (see sample).

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<sup>129</sup> Only in case of a construction for which neither building permit nor notification of construction is required by the Building Act.

The Applicant shall attach at least one of the types of the documents proving the ownership for each of the real estates listed in the table "Overview of real estates affected by the project". They differ depending on relation of the applicant with the real estate given.

### Overview of required documents

Situation	Type of required documents:	Specification
Real estate in relation to the applicant recorded in the Cadaster of Real Estate.	Information from the Cadaster of Real Estate and abstract of title including the map with colour indication of all real estates.	
of the construction in the applicant's ownership not recorded in the Cadaster of Real Estate.	<ul style="list-style-type: none"> <li>– Document on acquisition</li> <li>– Information from the Cadaster of Real Estate and abstract of title including the map with colour indication of all plots on which minor constructions are situated.</li> </ul>	
Real estate, which is not applicant's property	<ul style="list-style-type: none"> <li>– Document proving other rights to real estates (for example, <ul style="list-style-type: none"> <li>o contract of future contract of purchase, contract of lease, agreement on easement etc.)</li> </ul> </li> <li>– Information from the Cadaster of Real Estate and abstract of title including the map with colour indication of all real estates.</li> <li>– Approval on the project implementation provided by the owner of the property in writing (may be a part of relevant agreement).</li> </ul>	Written contract of owner of real estate must not be documented, if documented already in framework of annex, in this case it is sufficient to state a reference to relevant document in this table.

Only simple printed copy from the web site will be sufficient [www.cuzk.cz](http://www.cuzk.cz).

If the real estates are not owned by the Applicant, the submitted documents should confirm the relationship to relevant real estates for at least 10 years from the date of issue of the Grant Award Decision in case that the real estates are to be used by the project permanently (typically, the land under the building, access road, etc.) A relevant document (for example approval with location of the construction, a short-term lease contract) including corresponding explanation/reasoning will be submitted for real estate affected one time or in short term, in particular at the course of construction works (for example with respect to relocation of networks, use of land of another for a necessary period for reconstruction of the building concerned etc.).

A document with binding effect corresponding at least of the letter of intent will be documented for each real estate, if it is relevant (see above) as of the date of filing application. Binding contracts should be already concluded and submitted before issuance of a grant award decision. The applicant must prove within 1 year from the date of issuance of the decision that all acquired real estate is recorded in the Cadaster of Real Estate in his name.

*Note: The extract from the cadastral map shall clearly indicate, in colours, the existing ownership of the particular real estates as well as the cross-section of the ground plan showing the planned and the existing buildings and constructions that would be affected by the work or reconstruction within the project to allow evaluation of the submitted documents for completeness (the extract from the map should indicate relevant details – yet it is not necessary to indicate "insignificant" constructions such as fencing or billboards).*

### **Annex – Other approvals necessary for project implementation<sup>130</sup>**

The annex includes all other approvals or permissions necessary for project implementation that do not fall into the annexes "Documents required by the Building Act" or "Project documentation and budget". This annex is to be submitted at the latest before issuance of the grant award decision. However with submission of the project application it is necessary to attach at least information what permits are necessary and fact that it has been already applied for them or within what period it will be applied for them. This may include, for example, permission to experiment with animals, work with dangerous substances, installation or deployment of sources of radiation, deep wells etc. in case that such permissions are not included in the area management or building procedures if this is the case, they would be required in annexes "Documents required by the Building Act or "Project documentation and budget".

Owing to possible extensiveness of this annex, please state a list of submitted documents in the table below having this structure:

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<sup>130</sup> To avoid doubts, it is stipulated that the approvals or permits needed only in the project stage following after the Decision has been issued, will be submitted in compliance with conditions of the Grant Award Decision, after it has been issued (e.g. approval with putting specific technologies into operation etc.)

Sequence number	Title of documents	Comment

Form: decision/approval/permit for relevant activity, Affidavit

## Annex 11 Methodology for reporting economic activities regarding state aid

This annex is posted on the OP RDE website.

## Annex 12 Rationalization of the intention to award a public contract within closed call procurement procedure.

Identification data	
Project number	
Project title	
Name of contracting party	
Contracting party ID	
Name	
Registration number of the public contract in the procurement procedure	<i>The Contracting Authority shall state the registration number of the contract according to the preliminary notification pursuant to s. 86 of the Public Procurement Act, published in the Public Procurement Journal.</i>
Reason for applying closed call procurement procedure	<i>The Authority Entity shall select from the following options: s. 23 (4) (a) Public Procurement Act s. 23 (5) (a) Public Procurement Act s. 23 (5) (b) Public</i>
Anticipated value of the public contract	<i>The Contracting Authority shall state the anticipated value of the public contract in CZK or other currency net of VAT.</i>
Supplier(s)	<i>The Contracting Authority shall state the name of the Supplier(s) (interested party/parties), whom they are going to invite to the negotiated procedure without prior notification.</i>



**Demonstrating the need of particular performance for the fulfilment of project's objectives**

*The Contracting Entity shall provide information to support their need connected to the project objectives cannot be satisfied in another way than through the given particular performance (for example, specific scientific apparatus with given technical parameters) and that there are No. other alternatives capable to meet the Contracting Entity's needs and the project's objectives.*

**Demonstration of existence of reasons for contracting a public contract within negotiated procedure without prior notification**

*The Contracting Entity shall provide information to support the fact that all the legal conditions for contracting the public contract within the negotiated procedure without prior notification, pursuant to the above-mentioned provision of the Public Procurement Act, are fulfilled (e.g. the concrete technical reasons or the reason of protection of exclusive rights in case of the procedure pursuant to s. 23 (4) (a) of the Public Procurement Act).*

<b>Demonstration of the methodology for determination of anticipated value</b>
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<i>The Contracting Entity shall explain on which base and on which concrete information the anticipated value in compliance with the Public Procurement Act was determined.</i>
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<b>List of Annexes</b>
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<i>The Contracting Entity shall submit relevant documents to support the above-mentioned facts (e.g. the documents demonstrating the methodology for determination of the anticipated value, manufacturer's declaration on exclusive representation of the supplier in the territory of the CR etc.)</i>
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## 19. CHAPTER – LIST OF ABBREVIATIONS

AA	Audit Authority
CBA	cost-benefit analysis
CEDR	Central Register of Subsidies
CF	Cohesion Fund
CNB	Czech National Bank
Coll.	Collection of Acts
CR	Czech Republic
CSF	Common Strategic Framework
CZK	Czech Crown
DM	Deputy Minister
EAFRD	European Agricultural Fund for Rural Development
EC	European Commission
ECA	European Court of Auditors
ECB	European Central Bank
EDS/SMVS	former information system for programme financing – ISPROFIN
EIS	Economic Information System
EMFF	European Maritime and Fisheries Fund (EMFF)
ENVI	environmental
ERDF	European Regional Development Fund
ESF	European Social Fund
ESI/ESIF	European structural and investment funds
EU (Union)	European Union
EUR	Euro
FAQ	Frequently Asked Questions
FP	financial plan
FTE	full -time equivalent
FTT	Further training of teachers
GBER	General Block Exemption Regulation
GDP	gross domestic product
HP	horizontal principle
ICT	information and communication technology

ID	identification number
IoP	information on project implementation progress
IP	individual project
IS ESF2014+	information system for monitoring of supported entities
IS KP14+	end beneficiary information system (module MS2014+)
IS	implementation structure
ISCED	International Standard Classification of Education
ISDS	data box information system
MA	Managing Authority
MC	Monitoring Committee
MEP	municipality with extended powers
MEYS	Ministry of Education, Youth and Sports
MF	Ministry of Finance
MG	Methodological Guideline
MLSA	Ministry of Labour and Social Affairs
MoRD	Ministry for Regional Development
MS2014+	monitoring system of Structural Funds and Cohesion Fund for
N/A	not available
NCA	National Coordination Authority
NCI	National Codebook of Indicators
NSDF	National Strategic Development Framework
NUTS	territorial statistical unit
OLAF	European Anti-fraud Office (Office Européen de Lutte)
OPC	Office for Protection of Competition
OP RDE	Operational programme Research, Development and Education
OP RDI	Operational programme Research and Development for Innovations
OP	operational programme
PA	partnership agreement
R&D	research and development
RDI	science, research and innovations
RDM	Central register of small-scale aid (de minimis)
RIS3	Research and Innovation Strategy for Smart Specialization of the CR
SAO	Supreme Audit Office

SF	structural funds
SME	small and medium-size enterprise
SMS	short message service
SO	specific objective
TA	technical assistance
TFEU	The Treaty on the Functioning of the European Union
UVS	uniform visual style
VAT	value added tax