



Ministry of Human Capacities

**Advisory Board of the Stephen Báthory Fund  
for Cooperation of Hungarian and Lithuanian  
Youth**

**‘Study visit for young entrepreneurs’**

**Tender code:**

**IFJ-LIT-16**

**Guide for Applicants**

**2016.**

## TABLE OF CONTENTS

<b>Background .....</b>	<b>3</b>
<b>2. Eligible activities and cost types .....</b>	<b>3</b>
<b>3. Conditions of grants eligible under the tender .....</b>	<b>6</b>
<b>4. Grant period .....</b>	<b>7</b>
<b>5. Information on the preparation and submission of the tender .....</b>	<b>7</b>
5.1. <i>Tender documentation .....</i>	<i>7</i>
5.2. <i>Preparing and submitting tenders.....</i>	<i>7</i>
<b>6. Time limit for the submission of tenders .....</b>	<b>9</b>
<b>7. Validation checking of tenders.....</b>	<b>9</b>
<b>8. Scoring method and evaluation of tender applications .....</b>	<b>9</b>
<b>9. Contracting .....</b>	<b>10</b>
9.1. <i>Terms of contracting.....</i>	<i>10</i>
9.2. <i>Request for modification before contracting .....</i>	<i>11</i>
<b>10. Payment of the grant: .....</b>	<b>11</b>
<b>11. Request for modification after contracting .....</b>	<b>11</b>
<b>12. Accounting and controlling the grant .....</b>	<b>11</b>
12.1. <i>Financial accounts .....</i>	<i>12</i>
12.1.1. <i>Formal properties of financial accounts .....</i>	<i>13</i>
12.1.2. <i>Endorsement and certification of financial documents .....</i>	<i>13</i>
12.1.3. <i>Documents proving financial fulfilment (payment).....</i>	<i>14</i>
12.1.4. <i>Payment to an authorized representative .....</i>	<i>14</i>
12.1.5. <i>Obligatory content of financial accounts .....</i>	<i>14</i>
12.1.6. <i>Divergences permitted in financial accounts.....</i>	<i>15</i>
12.2. <i>Technical report.....</i>	<i>15</i>
12.3. <i>Other controls .....</i>	<i>15</i>
<b>13. Closure .....</b>	<b>15</b>
<b>14. Renouncement .....</b>	<b>16</b>
<b>15. Change of data .....</b>	<b>16</b>
<b>16. Rules of document revision .....</b>	<b>16</b>
<b>17. Objection .....</b>	<b>16</b>
<b>18. Concepts used in the call for tenders and the guide.....</b>	<b>16</b>
<b>19. Other information .....</b>	<b>17</b>

## Background

By commission of the Advisory Board of the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth, the Ministry of Human Capacities invites a public tender in accordance with Government Decree 227/2013 (VI. 24.) on announcing the agreement between the Government of Hungary and the Government of the Lithuanian Republic on the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth.

**This Guide for Applicants sets out the rules and requirements applying to tenders submitted to the Hungarian National Application Management Office and for their accounting.**

### 1. Objectives of the tender program

To support a maximum 1 week long study visit programme in Hungary on enhancing the cooperation between Hungarian and Lithuanian young entrepreneurs by involving young creative industry entrepreneurs and fostering their active participation in the programme. The objective is to deepen the mutual acquaintance and relations of the two nations and to foster the exchange of knowledge on the development of the creative industry enterprises and the culture-economic incentives. 3-5 Lithuanian and 3-5 Hungarian young entrepreneurs aged between 18 and 35 should participate together in the study visit programme and get to know each other through organised and team-building programmes during the 1 week.

The programme shall be organized in Hungary. The programmes and team-building activities drafted in the provided concept should enhance the creation of communities by involving the young entrepreneurs so that they can maintain their relations with each other in the long term.

The programmes are an integral part of the professional activities of creative industry enterprises, additionally contribute to the realization of innovative initiatives, to the creation and strengthening of communities and the exchange of good practices, and strengthen the professional relation between the two nations.

The tender does not support events organized by educational institutions, student governments, student councils, also those events which are for the functioning of the institution (student days, prom, freshman camp, study circles, etc.).

### 2. Eligible activities and cost types

The budget shall be planned in Hungarian Forints. The costs and expenses eligible in the headings and sub-headings of the budget:

#### **MATERIAL EXPENSES:**

The budgetary heading for material expenses may include any material costs or service expenditures relating to the implementation of the program or project and to the functioning of the organization, typically paid against an invoice. The following costs may be envisaged on the sub-headings of this budgetary heading:

#### **A2 Costs of vehicle operation:**

This sub-heading may include the costs of purchases and services (material and service costs) relating to the vehicles owned or leased (operated) by the organization in connection with the implementation of the program or project and the tender program, for instance:

- fuel costs,
- rental costs,
- costs of repairs and maintenance (material costs, e.g. parts, lubricants; service costs, e.g. service costs, roadworthiness tests),
- parking fees, tolls (e.g. parking costs, storage costs, vignette),
- insurance fees (compulsory third party liability insurance, CASCO, accident insurance for passengers),

Please note that the tax for company cars is not eligible in this category.

**A3 Running costs of other assets:**

This sub-heading may include the costs of purchases and services (material and service costs) relating to the assets owned or leased (e.g. projector, furniture, aggregator, digital board, lawnmower, IT equipment, etc.) by the organization in connection with the implementation of the project, the functioning of the organization and the tender program, for instance:

- rental costs,
- maintenance and repair expenditures,
- IT equipment (e.g. mouse, keyboard, pendrive, CD, DVD, etc.),
- costs of fuel not purchased for vehicles (e.g. aggregator, lawnmower),
- running costs of other assets.

**A4 Administrative costs:**

This sub-heading may include administrative costs (material and service costs) relating to the implementation of the program or project and the tender program. Only the services for which an invoice is issued after completion are eligible. This sub-heading may include for instance:

- costs of office paper (typing paper, letter paper, envelopes, paper for multiplication and photocopying, etc.),
- costs of any material or supply for the purposes of office work (folders, staplers, paper clips, calendars, pencils, pens, rubbers, glues, punchers, etc.),
- costs of administrative services (accounting fees, costs of management services, office services, executive services, payroll calculation, tendering services, financial services, and costs of reporting, if payment was made against an invoice),
- costs of administrative engineering (administrative software, e.g. recording systems, billing software, however, costs of debt monitoring applications should not be included here, but on heading C, if the call for tenders allows it),
- other administrative costs incurred during the operation of the organization or the implementation of the tender.

**A5 PR, marketing costs:**

This sub-heading may include costs of purchases and services (material and service costs) relating to the implementation of the program or project and the tender program, for instance:

- marketing and advertising costs (appearance in printed and electronic media, television, radio and the internet, paid against an invoice),
- costs of PR and marketing publications (brochures, flyers, informative booklets, posters),
- branding costs.

**A6 Cost of HR development:**

This sub-heading may include costs of purchases and services for HR development (material and service costs) relating to the implementation of the program or project and the tender program, for instance:

- costs of textbooks,
- subscription fees.

**A7 Communication costs:**

This sub-heading may include costs of purchases and services for communication (material and service costs) relating to the implementation of the program or project and the tender program, for instance:

- costs of website maintenance and operation (domain fee, and costs of regular uploading, storage fee, website development and design),
- postage costs (universal postal service, carrier service, post office box rental, etc.),
- telephone costs (package and traffic charges, pre-paid service, etc.),
- internet charges,
- newsletter editing, printing costs,
- other costs of purchases and services relating to other communication activities.

**A8 Costs of travelling and posting**

This sub-heading may include costs of purchases and services for travelling and posting (material and service costs) relating to the implementation of the program or project and the tender program, for instance:

- costs of using a vehicle owned by the individual for the purposes of the organization (fuel costs verified by a postage order, amortization costs),
- costs of using means of mass transport for the purposes of the organization,
- other costs of travelling and postage.

Fuel costs of vehicles owned or leased by the organization should not be included here, but under sub-heading "Vehicle operation".

For the estimation of costs, the fuel prices, consumption standards and amortization costs announced by the Hungarian Tax and Customs Administration shall be used.

#### **A9 Transport costs:**

This sub-heading may include costs of transport and related expenditures (material and service costs) in connection with the implementation of the program or project and the tender program, for instance:

- costs of carriage,
- costs of warehousing,
- costs of passenger transport (if vehicle is leased, that is, the invoice includes a leasing fee, then it should not be included here, but under the sub-heading "Vehicle operation"),
- other costs of purchases and services relating to other transport activities.

#### **A11 Expert fees (paid against an invoice):**

No expert fees are eligible in this tender.

But accounting fees, costs of management services, payroll calculation, financial services, etc. should not be included here, but under sub-heading "Administrative costs" (A4).

#### **A12 Commission fee (paid against an invoice):**

This sub-heading may include commission fees related to the implementation of the program and project, specified in the call for tenders. This sub-heading may include the commission fees that are paid against an invoice issued by the provider for the customer of services at completion.

Accounting fees, costs of management services, payroll calculation, financial services, etc. should be included under sub-heading "Administrative costs" (A4).

#### **A14 Costs of food and catering:**

This sub-heading may include costs of purchases and services for food and catering (material and service costs) relating to the implementation of the program and project, for instance:

- costs of raw materials for food (e.g. bread, butter, cold cuts, mineral water),
- catering costs (e.g. restaurant service).

Both raw material purchases and services (restaurant) shall be included under this sub-heading.

#### **A16 Printing costs:**

This sub-heading may include costs of purchases and service for printing (material costs and services) relating to the implementation of the program and project. In case of using services, only activities paid for against an invoice are eligible under this sub-heading.

#### **A17 Editing costs:**

This sub-heading may include costs of purchases and service for editing (material costs and services) relating to the implementation of the program and project. In case of using services, only activities paid for against an invoice are eligible under this sub-heading.

#### **A18 Multiplication costs:**

This sub-heading may include costs of purchases and service for multiplication (material costs and services) relating to the implementation of the program and project. In case of using services, only activities paid for against an invoice are eligible under this sub-heading.

#### **A19 Distribution costs:**

This sub-heading may include costs of purchases and service for distribution (material costs and services) relating to the implementation of the program and project. In case of using services, only activities paid for against an invoice are eligible under this sub-heading.

#### **A20 Transport:**

This sub-heading may include costs of transport relating to the implementation of the program and project.

**A21 Education and counselling (paid against an invoice):**

This sub-heading may include costs of education and counselling (paid against an invoice) relating to the implementation of the program and project.

**A22 Costs of event organization:**

This sub-heading may include costs of purchases and service for event organization (material costs and services) relating to the implementation of the program and project. This sub-heading may include the services that are paid against an invoice issued by the provider for the customer of services at completion.

**A25 Management costs relating to project implementation (paid against an invoice):**

No management costs are eligible in this tender.

**A32 Other purchases and services:**

This sub-heading may include costs of other purchases and services (material and service costs) relating to the implementation of the program and project, for instance:

- other materials (e.g. first aid box, medicine),
- costs of other material services,
- other insurance costs (e.g. accident insurance),
- costs of financial services (e.g. bank charges, bank prints, interests of working capital and liquidity credits),
- representation costs,
- membership fees,
- entry fees,
- administrative service fees and duties.

**A33 Purchases and services relating to discharging other duties:**

This budgetary lines constituting this sub-heading may include itemized purchases and services that are related to the implementation of the program and project, and to the functioning of the organization.

**3. Conditions of grants eligible under the tender**

No budgetary grant can be provided to:

- a) anyone making the grant decision or participating in making the decision to prepare the decision,
- b) anyone who is the member of the Government, a secretary of state, permanent secretary, deputy secretary of state, chairman of county assembly, mayor or executive officer of a regional development agency at the time of making the grant decision,
- c) anyone who is a close relative of the individuals listed under a) and b),
- d) any business entity that is owned by individuals listed under a) and b),
- e) any business entity, fund, association, legal church personality or trade union or any organizational unit of the above with a separate legal personality, which have the individuals listed under a) to c) as an executive officer, member or officer of the administrative body or organization of a fund, or executive or representative member of a legal church personality or trade union.

Deductible value added tax is not eligible, hence applicants shall make a statement on the right of deducing VAT and its exercise.

The budget of the tender project, in particular the requested amount shall be planned in a way that it complies with the VAT accounting rules governing the applicant, which shall be indicated in a statement at the conclusion of the contract.

In the course of implementing the project the Beneficiary shall observe the provisions of the public procurement law with purchases subject to Act CXLIII of 2015 on Public Procurement (hereinafter the 'Kbt').

In this tender only the values of accounting documents supporting the costs of economic events relating to the project implementation completed during the grant period, verifying the use of the grant amount and own resources, are eligible, that is, the costs indicated on accounting documents shall always be related to the grant period and the project implementation.

The extent of the requested grant cannot exceed 100% of the total eligible costs of the project.

The availability of own resources shall be indicated in a statement, and verified at the conclusion of the grant contract. The resources obtained from the Hungarian state budget through tendering cannot be used for verifying own resources.

#### **4. Grant period**

The applicant may only indicate a period between **1 April 2017 and 31 September 2017** in the "Starting date of project" and "End date of project" fields of the tender datasheet. Please schedule the grant period to include the duration of preparation and project closure, with the provisions on accounting documents set out in Section 12 taken into consideration.

#### **5. Information on the preparation and submission of the tender**

Tender applications may only be submitted on paper, in person or by mail addressed and sent to the National Application Management Office.

##### **5.1. Tender documentation**

The present Call for Tenders and the Guide for Applicants is available at:

<http://emmiugyfelszolgalat.gov.hu/ifihasagugy/palyazatok/palyazatok>

The Call for Tenders and the Guide for Applicants together with the tender datasheet form the tender documentation, and set out all terms and conditions of tendering.

##### **5.2. Preparing and submitting tenders**

###### **1. Datasheets**

Provide the name, address, registration number, VAT number, bank details, bank account number and details of the representative of the applicant.

###### **2. Project details**

The project shall bear a unique title, and the initial date of the project may not be earlier than 1 April 2017, while its end date may not be later than 31 September 2017. Indicate the typical country and city of the project as a place of implementation. The details of the contact person must also be provided.

###### **3. Informative details**

It is not obligatory to enter details of the topic, manner of implementation, language, website of the program.

###### **4. Detailed budget of the project**

Provide the details of the budgetary data of the tender project using the income and expenditure pages of the budget spreadsheet. (Please do not use marks or spaces when completing the spreadsheet. The correct way of indicating one hundred thousand Forints is e.g. 150000)

The budget is broken down into so called budgetary headings and sub-headings distinguished with letters and numbers. A budgetary heading is for instance "Material costs" (marked with "A"), while its sub-heading is "Costs of vehicle operation" (marked with "A2"). When completing the budget spreadsheet, please pay attention to the conditions and requirements set out in Section 2. Summarising lines (headings) cannot be filled directly, these are calculated by the system using the data entered. The budget of the project, in particular, the grant amount shall be planned in accordance with the provisions on VAT deductibility outlined in Section 2.

Costs types can be found in the tender in 1 large group (hereinafter the "main heading"):

###### **A. Material costs**

#### 5. Details of the Tender Datasheet

Applicants shall answer to the following specific questions regarding tender categories and sub-categories during the preparation of the tender.

- Description of the tendering organization: description of the activity pursued by the organization in the field of youth using the following aspects:
  - o General description and introduction of the organization.
  - o Detailed list and description of activities performed so far that are directly related to the tender program.
- Project background: Please give a description of the activities in the program series; description of the properties of the target group (geographical, age distribution, organizational background), selection criteria applied to the target group, estimation of previous knowledge and needs, reasons of organizing the program series and choosing the specific topic. How does the program series relate to the needs of the target group? What are the skills and competences the program series is set to promote, and how does it contribute to making the services and projects of the organization more sustainable or to improving the quality of professional services of the organization?
- Description of project details and manner of organization of the program series: Please describe **the general and specific objective, topic, planned venue and dates of the program, and planned number of attendees.**
- Description and introduction of organizations and informal groups contributing to the preparation and organization of the program series: Please describe the organizations and groups contributing to the tender program, and their role assumed in the implementation of the tender program.
- The direct and indirect results of and competences to be obtained in the tender program at completion. What are the direct and indirect results of the completed program in terms of its participants, their environment and the ones implementing the program?
- Assessment, follow-up: Please give a description of the assessment (program-wide assessment) and follow-up planned after the completion of the program series. How does the program series ensure that its methods and results be made known to the wider public?
- The detailed, textual description and justification of the tender project budget. Please give an itemized summary and justification to each cost types in the attached Excel template document. (The rows of this spreadsheet shall match that of the Detailed project budget spreadsheet, and a textual justification to each cost and the scheduling of costs shall also be provided.)
- Please attach the certified copy of the effective founding document, with identical pagination, of the applicant organization, e.g. memorandum, articles of association, founding document, to your application (copy with identical pagination shall mean the scanned format of the original documents signed by the organization.)
- Please attach the certified copy of the document verifying the existence of the organization under the legislation, with identical pagination and not older than 30 days, e.g. court certificate, certificate of registration, of the applicant organization, to your application.

#### 6. Other statements

By submission of the tender application, you acknowledge the statement indicated on the datasheet. Please note that no grant can be given until the applicant has any outstanding tax, duties or customs liabilities (hereinafter the "public debt"), except for pecuniary social or welfare grants or training aid to promote employment. In order to check the lack of public debt, applicants shall give their consent to the National Application Management Office and the Treasury to manage their personal data under the legislation to monitor public debts, and provide data to the state tax and customs administration (such as name (designation), domicile (registered seat) and VAT number, tax marking), and applicants shall also give their consent for entities specified under the legislation and grant providers, the National Audit Office, the Governmental Audit Office, the Directorate-General Auditing EU Funds, the Ministry for National Economy and authorities involved in the recording of the minimum aids to gain access to the data recorded in the monitoring system operated by the Treasury, regardless of the budgetary position of their construction resources.



It is important to mention the concept of conflict of interest specified in Article 50 of Áht., which excludes certain organizations and persons from tender applications and obtaining grants. In this section, the application shall also make a statement on the absence of conflict of interest in relation to himself and his organization.

## **6. Time limit for the submission of tenders**

The tender submitted until **1 February 2017 11.59. p.m. by verifiable postal submission or in person in working hours and in an electronic form as well at the National Application Management Office**, is considered submitted.

## **7. Validation checking of tenders**

Applications are checked for their format within 10 working days of the time limit for submission. The criteria for format checking the tenders:

- a) completion and accuracy of tender datasheets, attachment of required documents and statements,
- b) eligibility of the applicant organization for tender submission,
- c) date and correctness of posting the disclosure request, if concerned,
- d) number of tender applications submitted by a single applicant,
- e) assessment of the eligible amount in a specific call for tenders.

**There is one opportunity to make good any formal irregularities after the receipt of an application.**

If, following one instance of correction, the National Application Management Office establishes that the application still fails to meet the requirements set in the call for tenders and on the online datasheet, then the application will be considered invalid and an electronic notice will be sent to the Applicant with the indication of the reason for invalidity, within 10 working days of the time limit for making good any regularities.

## **8. Scoring method and evaluation of tender applications**

Valid and accepted applications are proposed to the Advisory Board of the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth by the National Application Management Office. The Advisory Board shall evaluate applications as follows:

<b>Scoring method</b>	<b>Scores</b>
How much does the planned professional program comply with the call for tenders, and does it cover the objectives of the tender?	0-5
Are previous skills and needs clearly explored in the preparation of the tender program?	0-5
Is the preparatory and follow-up phase of tender program well-designed and match general and specific objectives?	0-5
The detail, quality and suitability of the description of the professional program. Are the general and specific objective, topic, planned venue and dates of the program, and the detailed professional program plan described?	0-10
Are methods applied during the tender program well-developed, and do they contribute to the objectives specified and to achieving expected results?	0-10
Do the competences and skill to be obtained through the program series contribute to the widening of youth workers' know-how, to the exchanging and sharing of good practices, and to gaining international experience?	0-15
The number of participants in the program series and their distribution.	0-5
Are described direct and indirect results well-grounded? Did the applicant estimate realistically and describe the expected effects?	0-15
How well-grounded, prepared and realistic is the program budget? Does it match the planned program?	0-15

How does the applicant ensure that the results of the program series be made known to the wider public?	0-15
<b>Total score</b>	<b>100 points</b>

The proposed decision of the Advisory Board of the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth is made with 45 days of the time limit for tender submission, which is referred to the secretary of state within 10 days by the national managing authority. Grant decisions are made by the secretary of state for family and youth within 10 days of referral.

Expected announcement of tender results: **15 March 2017**

## **9. Contracting**

Notices on the grant decision contain the terms of contracting and the time limit and manner of submitting necessary documents. The grant can be used as specified in the grant contract, and the documents necessary for the conclusion of the contract shall be sent by the beneficiary by the time limit indicated in the notice.

The National Application Management Office revises the documents received and if any of the documents needed for contracting is not available or incomplete, or the beneficiary missed the time limit specified in the notice, the National Application Management Office notifies the beneficiary to make good the irregularities within a time limit of 8 days, two times. This notice is first sent electronically, then both electronically and by registered mail for the second time.

The grant decision is rendered invalid, when the contract is not concluded within 60 days of receiving the notification on the grant at the fault of the applicant or any other reason attributable to the applicant. The National Application Management Office notifies the applicant electronically and by mail on the failure to conclude the contract.

When all requirements required for contracting are met within the time limit, then the national managing authority will enter into contract with the grant holder.

The grant may only be made available, if the beneficiary has no overdue accounting or repayment obligations in relation to appropriations managed and organized by the National Application Management Office towards the Ministry of Human Capacities.

### **9.1. Terms of contracting**

- The applicant organization shall meet the requirements of settled labour relations at the time of tender submission and makes available the details of any legal personality or entity without a legal personality to be audited under Act CXCV of 2011 on Public Finances (hereinafter the "Áht").
- There is no fact or circumstance revealed in connection with the applicant that would prohibit the applicant from making the statements contained in the contract;
- There has been no bankruptcy, liquidation or final settlement or any other proceedings, to dissolve the applicant under the legislation, initiated against the applicant at the time of tender submission or after that, and the deletion of the organization from the court registry has not been initiated;
- The amount of own resources defined by the grant provider is available to the applicant or host organization, which is indicated in a statement and verified;
- The Applicant does not have any outstanding tax, duties or customs liabilities (hereinafter the "public debt"), except for pecuniary social or welfare grants or training aid to promote employment.
- The applicant organization gave its consent for entities specified under the legislation and grant providers, the National Audit Office, the Governmental Audit Office, the Directorate-General Auditing EU Funds, the Ministry for National Economy and authorities involved in the recording of de minimis aids to gain access to the data recorded in the monitoring system operated by the Treasury, regardless of the budgetary position of their construction resources.
- The applicant has the valid official permits necessary for pursuing the supported activity;
- The Beneficiary makes the guarantees required by the grant provider by the payment date of the grant the latest;
- The applicant economic operator meets the requirements set out in Article 50 (1) of Áht. and Article 2 of Act CXXII of 2009;

- The applicant organization makes the statements, submits the documents or does not withdraw any statements made, as required under the legislation or for the conclusion of the contract.

The grant contract shall be first signed by the beneficiary, and all six copies shall be signed with blue ink by authorized person(s) **with a signature identical with the one on the verification document (specimen signature)**. If the authorized signature of the organization is only valid together with the stamp, then the contracts shall be signed and stamped as well. The authorized representative(s) named on the certificate issued by the registration authority (e.g. court) shall sign the contract and all documents. If an agent acts on behalf the authorized representative, then the original copy of the authorization to sign the contract shall be attached. (Beyond the 6 copies of the grant contract, every other document shall only be sent in one copy.)

#### **9.2. Request for modification before contracting**

The grant decision may opt to specify the program parts or costs the grant is eligible for, if the amount of grant awarded by the Grant provider exceeds the grant requested by the applicant. In this case, or in the event of a smaller amount being awarded, the National Application Management Office shall notify the applicant requiring him to make a statement regarding the availability of missing resources or to modify his tender program according to the decision of the Grant provider. The applicant may modify the total budget of the program according to the ratio of the amount of grant awarded. During such modification the content requirements set in the call for tenders shall be met, and the modification should not exclude the realization of the program parts that the Grant provider considered positively in the assessment of the tender, in accordance with the aspects set out in the call for tenders. The modified tender program shall submitted to the National Application Management Office for approval prior to the conclusion of the contract, in the same manner as the application is submitted. The contract may only be concluded if the Grant provider or the National Application Management Office accepted the modifications.

#### **10. Payment of the grant:**

This is a **non-repayable financial grant** provided to cover the costs incurred by applicant for his economic event between **1 April 2017 and 31 September 2017**, which is paid in a **one-off amount, in the form of an advance funding**.

**Pursuant to Article 87 (1) of the Government Decree 368/2011 (XII.31.) on the Implementation of the Act on Public Finances (hereinafter the "Ávr"), advance funding can be granted prior to the acceptance of the report or partial report.**

The grant is paid against the appropriation specified in the call for tenders, by bank transfer directly to the bank account of the beneficiary.

The beneficiary shall **treat separately and keep on record** the financial document verifying his title to the grant.

In the event of any public debt, the Beneficiary shall be paid an amount less the public debt (Article 90 of Ávr.).

#### **11. Request for modification after contracting**

The beneficiary shall assume a covenant in the contract to notify the National Application Management Office within 8 days, if the program implementation fails, is permanently hindered, falls behind the schedule set out in the contract or should any circumstance related to the implementation of the tender program change.

**The request for modification may be submitted by the 30th day before the lapse of the project's end date the latest.** Please submit your request for modification on time.

#### **12. Accounting and controlling the grant**

The beneficiaries shall report on how the grant is used in accordance with the grant contract and the provisions governing their management, in the form of a technical report and financial accounts (hereinafter jointly the "report").

In the course of fulfilling the reporting obligation, the beneficiary shall certify that the grant has been used as intended, to achieve the objective set in the decision of the Grant provider and in line with the provisions laid down in the contract. The beneficiary shall give credible proof that the grant has been

used in accordance with the grant contract by filling the relevant fields of the Tender datasheet and attaching necessary documents.

The report shall be submitted by the 30th day the latest following the completion of the tender project.

The report is controlled by the National Application Management Office and reminds the beneficiary on one occasion to make good the irregularities and remedy deficiencies with a time limit of 15 days. The deficiency letter is sent electronically. If the beneficiary has failed to remedy the deficiencies and has not remedied them in the manner ordered in the reminder by the time limit set in the reminder, then the option to remedy deficiencies is no longer available.

The beneficiary can only consider that the provisions laid down in the contract are fulfilled, if the technical report and the financial accounts were accepted.

**In the course of preparing the report, make sure that the entire budget was taken into calculation (together with the full amount of grant, own resources and aid from the state budget).** If the grant holder cannot account for 100% of the amount of grant according to the budget, then the remainder shall be transferred back to the bank account of the Ministry of Human Capacities (bank account number: 10032000-01220328-50000005) with the tender identification number indicated in the message field.

The submitted report is assessed, then either of the following decisions can be made:

- the report is accepted,
- the report is rejected,
- the report is partially accepted.

If the **report is accepted**, then contractual performance can be ascertained. The National Application Management Office shall decide, if the applicant has to voluntarily repay the remaining unused of the grant.

When the report is accepted, the National Application Management Office notifies the organization on the closure of the tender.

If the report is rejected, then it means that the beneficiary failed to fulfil his reporting obligation in relation to the grant or committed a breach of contract. Examples to these cases are the following (the details are provided in the grant contract):

- the beneficiary failed to send any technical report and/or financial accounts at all even after receiving requested to do so, or missed the time limit to remedy deficiencies;
- the technical report and/or financial accounts sent by the beneficiary are absolutely unacceptable;
- the beneficiary committed a breach of contract during reporting.

In case of a rejecting decision, the grant contract will be terminated. In this case the organization in breach of the contract shall repay the amount of grant paid out for him together with a specified interest at the request of the National Application Management Office.

The partial acceptance of the report means that only partial fulfilment can be determined on the basis of the submitted report. In this case the items/amounts of financial accounts and the technical report that were accepted or rejected are defined.

#### **12.1. Financial accounts**

In the course of providing financial accounts, the beneficiary shall submit the financial documents certifying the costs of economic events occurred in the period set in the grant contract together with documents certifying their financial fulfilment (payment) in an attachment. Accounting shall be carried out by sending financial documents proving the costs of economic events and documents certifying their financial completion (payment), complying with the content and formal requirements laid down in Act CXXVII of 2007 on Value Added Tax (hereinafter the "VAT Act"), Act C of 2000 on Accounting (hereinafter the "Accounting Act") and Decree 23/2014 (VI.30.) of the Ministry for National Economy. The Hungarian translation of the content and relevant data of each non-Hungarian document shall be prepared, and the translation shall be indicated on the certified copy in a legible form).

It is important that the content of the accounting document relates to the program and proves the implementation of the program, as well as that the completion dates and periods of economic events relate to the implementation of the project and the grant period, and the contracts referred therein shall

be attached to the financial documents referring to individual contracts. Please make sure that the issuer of the invoice indicates a specific date for the date of completion, and not a period, because this is required under the provisions of the VAT Act. If the invoice has been issued for an activity/service/product sales that has a VAT-exempt status or is exempt from VAT, please make sure that the issuer indicates the reason of that on the invoice (general markings: AM, TAM).

Financial accounts of the entire budget shall be prepared (of the amount of grant, own resources and aids granted from the state budget) in accordance with the cost types and sums specified in the budget attached to the tender, or its last accepted version, if modified.

In the following sections, I would like to draw your attention to a few important information.

#### **12.1.1. Formal properties of financial accounts**

Please note that the financial documents submitted for accounting can only be accepted if they are **formally compliant and complete, with Section 12.1.6 taken into consideration**. Financial documents that are incomplete, illegible or irregularly signed, or not bearing the original signature, cannot be accepted.

Therefore, please check if the form and content of the invoice complies with the provisions of the VAT Act and that the sums indicated are accurate, when receiving the invoice. Please check the existence and legibility of the following data at receipt:

- issue date and serial number of the invoice;
- name, address and VAT number of the supplier;
- name and address of the customer;
- date of completion, if different from the issue date of the invoice;
- designation of the sold product, its tariff heading (chosen by the issuer of the invoice) and its quantity, and designation of the service provided, and the number in the list of services under the law (chosen by the issuer of the invoice) and its quantity, provided that it can be expressed in a natural unit of measure;
- the base and rate of tax (in case of an invoice with simplified tax content, the sum of counter-value including the rate of tax, and the percentual rate defined in the legislation for the specific type tax);
- total value of the invoice in HUF.

If the invoice does not contain a tariff heading or service number, then at the time of financial control, the cost or expenditure indicated on the invoice is put into categories according to its designation or the content of the invoice, therefore, please check the designation of the product or service on the invoice.

Only invoices or financial documents issued to the name of the beneficiary or grant holder can be accepted for the purposes of financial accounting. If the beneficiary entered into agreement with another organization/person for the fulfilment of the entire project or its parts, then invoices and financial documents issued to the name and address of the contracted party can also be accepted, but in this case the contract/agreement shall always be attached to the accounts.

The copies of invoices to be submitted shall be numbered in concordance with the order of the invoice summary, so that payments can be clearly identified in the course of an itemized audit.

#### **12.1.2. Endorsement and certification of financial documents**

The financial documents proving the costs of economic events shall be endorsed and then certified in the following manner:

- **ENDORSEMENT** = the tender identifier of the specific tender shall be indicated in a textual form on the original financial document (on documents to be accounted against either the grant or own resources) and the required sum shall be accounted, e.g.: "HUF .... accounted against contract with tender identification number FJ-LIT-16 ..." (it is not enough to indicate the tender number),
- **CERTIFICATION**= the (endorsed) original financial document shall be **photocopied**, and the following shall be indicated with blue ink or stamp: "**Copy fully identical with the original.**" (or any text of certification with identical meaning),

- the photocopy shall be signed by the representative or agent **with blue ink, dated and stamped.**

The certification shall be carried out by the person authorized to represent the organization. If the representative is hindered, an agent may also act on his/her behalf, but in this case an authorization signed by the representative shall also be attached.

If the full amount of the financial document cannot be accounted, or the applicant wishes not to account the full amount against the grant, then the endorsement shall contain the amount set for accounting. (E.g. The tender budget for communication costs allows HUF 100,000, but the value of the financial document is HUF 120,000. In this case the following shall be written onto the original financial document: "HUF 100,000 accounted against contract with tender identification number IFJ-LIT-16...)

#### **Applying exchange rates:**

**The value of products or services indicated on foreign invoices shall be converted to Forints and accounted against the grant using the exchange rate published by the Hungarian National Bank on the date of paying the invoice.**

#### **12.1.3. Documents proving financial fulfilment (payment)**

The document proving the financial fulfilment (payment) of the value of financial documents verifying expenses of economic events shall be attached in a certified form. Document proving financial fulfilment (payment):

- paying costs and expenses in cash:
  - outgoing cash document issued by the Beneficiary, or
  - if the organization does not keep an outgoing cash document then the periodical cash report or chief account book for single-entry book-keeping, which shall include the opening and closing balances, and the document verifying this shall be attached.
  - In case of a periodical cash report or chief account book, the certified copy with identical pagination shall be submitted.
- in case of payment by bank transfer:
  - full bank statement issued by the bank, or
  - bank account history printed by the Beneficiary, if it contains both the opening and the closing balances.

Documents verifying financial fulfilment (payment) shall also be certified in the above manner. (If the document verifying financial fulfilment (payment) does not clearly indicate the payment it relates to, then the document verifying financial fulfilment (payment) shall also be endorsed as described above.)

Minimum properties of outgoing cash report submitted for financial accounting:

- number of the report;
- name, address and VAT number of the issuer;
- amount taken (handed over) from the cashier;
- date of payment;
- title of payment;
- signature of the cashier, recipient and person approving payment.

#### **12.1.4. Payment to an authorized representative**

The payment made to the authorized representative of the applicant organization or to any other organization represented by the authorized representative, either by agency contract, labour contract or other, against the grant may not exceed 20 percent of the full amount of grant.

#### **12.1.5. Obligatory content of financial accounts**

The following shall be submitted on paper as part of the financial accounts:

- a printed original copy of the **invoice summary** signed by the authorized representative of the organization, which contains the data of financial documents supporting the expenses to be accounted,
- a certified copy of **endorsed financial documents verifying expenses;**
- a **certified copy of financial documents verifying financial fulfilment (payment);**

- in case of material or accumulative costs, a certified copy of the relevant contract, purchase order and agreement;
- in case of accounting rental fee, a certified copy of rental contract relating to the rental fee;
- in case of accounting bookkeeping fee, a certified copy of rental contract relating to the bookkeeping fee;
- in case of accounting the costs of operating a vehicle owned by the organization in line with the budget, a certified copy of the registration certificate of the vehicle;
- if there is an agency contract relating to the invoice and the invoice refers to the agency contract, then a certified copy of the agency contract;
- in case of accounting own resources, the necessary statements.

#### **12.1.6. Divergences permitted in financial accounts**

When reporting, there may be divergence from the budgetary plan specified in the tender **without submitting a request for contract amendment**, as follows:

- the amount may diverge from the budgeted amount without limits downwards, that is, smaller amounts can be accounted from the awarded grant, but the planned own resources shall be calculated and may not be abandoned;
- in the course of financial accounting opening new budgetary headings (sub-headings) for the approved amount of grant and own resources, or in comparison to aids granted from the state budget, **is not permitted**, that is, costs may only be accounted for sub-headings where the beneficiary has already included costs funded from the planned grant and own resources, and aids granted from the state budget.

#### **12.2. Technical report**

The technical report describes the implementation of tasks assumed under the tender and the fulfilment of indicators assumed. The auditing of the submitted technical report covers the control of whether the technical program plan approved and valid can be considered implemented by answering the questions indicated in the report.

The implemented tasks listed in the technical report shall match the budgetary lines of financial accounts.

The circumstances of achieving the objective of the grant shall be presented here: what was the wider objective the applicant use the grant for, what specific objectives the applicant wanted to achieve and what was the result of the program. (If changes occurred in the course of fulfilling the tasks assumed compared to the contract, then such differences shall be justified.)

It is not required to give a detailed account and describe the background of implemented professional tasks (this has already happened in the tender), it is sufficient to briefly describe the objective, results and use of the task implemented from the grant. The technical report may include: publications, photos, invitations, etc. The applicants shall also prepare the attendance sheets and photographic documentation of the participants of personal meetings, which shall be attached to the technical report.

#### **12.3. Other controls**

The National Application Management Office and the bodies authorized for controls in the legislation (ÁSZ, KEHI in particular) may perform the subsequent control of the project to check the lawful use of the amount of grant.

The beneficiary shall cooperate with organizations performing controls and shall ensure that the tender documentation remains available at a designated, guarded and registered place for 10 years after the closure of the tender. The applicant shall immediately inform the National Application Management Office of the change of this place.

If this obligation is violated, the Grant provider may impose sanctions for the unlawful use of the amount of grant during the period the obligation is in effect.

### **13. Closure**

The tender program is closed, after the contract on the tender grant was performed, on the basis of the technical report on the implementation of the tender and financial accounts made on the complete budget of the program. The National Application Management Office shall inform the beneficiary of the closure of the tender program, and at the same time take steps to withdraw any bank authorization letters.

#### **14. Renouncement**

The beneficiary may renounce from the full or part of the amount of grant at any time. It often happens that the beneficiary is confronted with the fact that he cannot account for 100% of the amount of grant only when preparing financial accounts, in this case renouncement shall be submitted together with the financial accounts and the renounced amount shall be repaid.

The declaration of renouncement shall be signed by the authorized representative of the organization and the endorsed copy of the notice of changing shall be attached to the declaration.

#### **15. Change of data**

If any of the data changes following the conclusion of the contract, then the beneficiary shall immediately, but within 8 days the latest, inform the National Application Management Office by sending documents verifying the change at the same time.

#### **16. Rules of document revision**

The documents generated in the course of tendering may be reviewed in accordance with the rules of Act CXII of 2011 on Informational Self-Determination and Freedom of Information.

The documents generated during the procedure are public as a matter of principle, so any party interested in the data may copy them and request excerpts by taking into account the following exceptions.

Non-public data:

- Personal data, special data;
- Trade secret;
- Data classified under Act CLV of 2009 on the Protection of Classified Information;
- Data classified as a result of obligation arising from an international agreement;
- If the right to disclose data of public interest is restricted by the law in consideration of national security, law enforcement or crime prevention, central financial or monetary policy interests, or court or administrative proceedings;
- Data providing the basis of a decision before making the decision.

The request for data service shall be submitted to the National Application Management Office by mail.

#### **17. Objection**

Pursuant to Article 102/D of Ávr., organizations outside the state budget may lodge objections if the tender procedure, grant decision procedure, the procedure for the issuance of documents or conclusion of grant contracts, the payment of budgetary aid or their reclaiming was unlawful in their opinion. The objection shall be submitted to the Minister of Human Capacities in writing within 10 days of receiving the contested measure or decision or missed measure or decision, but no later than thirty days of its occurrence.

- The objection shall at least include the name, seat or address of the person making the objection, the name of a non-natural person making the objection, the data necessary for identifying the contested tender, grant document or grant contract, the definition of the measure or missed measure contested, the facts giving rise to the objection or the precise specification of the legal provision violated as a result of a missed measure, and the signature of the person objecting, as well as a document suitable to verify the submission of the objection within the time limit.

The objection shall be assessed by the minister within thirty days of receipt, and informs the person making the objection in writing.

Objection against a decision or measure can only be made once by the same applicant or beneficiary.

#### **18. Concepts used in the call for tenders and the guide**

- a) Applicant: if the call for tenders does not provide for otherwise, the legal person applying for the grant through tendering.
- b) Beneficiary: an applicant or other legal person, on the basis of covenants, receiving grant from the appropriation.



- c) Grant provider: an authority or organization managing and disposing of the appropriation, who provides grant to beneficiaries (e.g. the Ministry of Human Capacities).
- d) National Application Management Office: the youth department of the Ministry of Human Capacities. (on the basis of Government Decree 227/2013 (VI. 24.) on announcing the agreement between the Ministry of Human Capacities, the Government of Hungary and the Government of the Lithuanian Republic on the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth, and the agreement between the Ministry of Human Capacities and the Ministry of Social Security and Labour of the Lithuanian Republic, the Government of Hungary and the Government of the Lithuanian Republic on the implementation of the agreement on the Stephen Báthory Fund for Cooperation of Hungarian and Lithuanian Youth)
- e) Grant period: the interval between the dates specified in Section 6 of the call for tenders and Section 4 of this guide. The applicant shall realize the tender program in this interval, and may only use the grant to pay the costs of economic events occurring in the above-mentioned period.
- f) Own resources: own resources are financial and non-financial resources of the applicant. The aids granted from the sub-systems of the state budget cannot be considered own resources, with the exception of any sums appropriated in the budget of the applicant organization or its administrative body, as well as the own resources aid provided from the EU Own Resources Fund and aid for projects partially funded from EU funds under the Kbt [Ávr. 83. § ].
- g) Electronic notification: notification sent electronically by the National Application Management Office to the email address set by the applicant. We cannot guarantee that the notification sent by email reaches its destination.

#### **19. Other information**

**The provisions set out in the call for tenders and the guide were modified on the basis of the EMMI decree on the rules of using appropriations managed under the EMMI heading for 2016.**

Any questions relating to the tender can be raised by e-mail, mail or on telephone to the National Application Management Office by indicating the tender identification number, at the following address:

**MINISTRY OF HUMAN CAPACITIES**  
**GENERAL YOUTH DEPARTMENT**  
 10-14 SZALAY STREET, H-1055 Budapest  
 Phone: (0036) 1 795 3077

Budapest,      December 2016

**Katalin Novák**  
**State Secretary for Family and Youth Affairs**

