

ANNEX D

STANDARD CONDITIONS OF GRANT

EUROPEAN UNION PROGRAMMES

INTERREG V PROGRAMME

(Cross-border Programme for Territorial Cooperation 2014 – 2020
Northern Ireland, Border Region of Ireland and Western Scotland)

And

PEACE IV PROGRAMME

(EU programme for Peace and Reconciliation 2014 – 2020 Northern
Ireland and the Border Region of Ireland)

VERSION NO. 1.3

DATE: 17 December 2020

TABLE OF CONTENTS

DEFINITIONS	3
1. INTRODUCTION	7
2. EUROPEAN UNION RULES AND REGULATIONS	8
3 MEMBER STATES' LEGISLATION AND EMPLOYMENT PROCEDURES..	8
4. ELIGIBILITY PERIOD	9
5. RESPONSIBILITY AND OBLIGATIONS OF LEAD PARTNER	9
6. EXPENDITURE PROFILE - PROJECT BUDGET.....	10
7. OTHER SOURCES OF FUNDING	11
8 CHANGES TO THE PROJECT	11
9 FINANCIAL ARRANGEMENTS.....	12
11. PROJECT CONTROL	15
12 MONITORING AND EVALUATION	16
13. REVENUE-GENERATING PROJECTS	17
14 RETENTION OF DOCUMENTATION	17
15. PROTECTION OF THE ENVIRONMENT.....	17
16 POLITICAL ACTIVITIES	17
17 LIMITATIONS.....	18
18 ASSIGNMENT.....	18
19 FRAUD	18
20 DEFAULT	19
21. ADDITIONS/AMENDMENTS TO GRANT OFFER DOCUMENTATION	19
22. DISPUTE RESOLUTION.....	20
23. PERSONAL DATA PROTECTION	20

Standard Conditions of Grant

DEFINITIONS

In these Standard Conditions of Grant and in the Letter of Offer (as defined) the following words and expressions shall have the meanings set out:

“Additional Conditions”	the additional conditions specific to the Project as detailed in the Letter of Offer.
“Applicant”	the person, body or organisation (not being an individual) identified in the Letter of Offer as making an application for financial assistance.
“Budget”	the financial breakdowns and budget detailed in the Letter of Offer.
“Certifying Authority”	the authority responsible for certifying expenditure and making submissions to the Commission and making payments to the Lead Partner. The Certifying Authority is comprised of staff from SEUPB.
“Commission”	the European Commission.
“Control”	shall be defined as in Section 1124 of the Corporation Tax Act 2010, and the expression change of control shall be construed accordingly.
“Cooperation Programme”	the Cooperation Programme for both the PEACE IV Programme and the INTERREG VA Programme as published by SEUPB.
“Eligible”	in relation to Project costs means the costs of the Project which are approved as eligible for financial assistance from the European Community within the terms the Letter of Offer, and subject to the provisions of the Programme and EU Regulations (as further detailed in the Programme Rules (Section 4 Eligibility Rules)).
ERDF	European Regional Development Fund
“EU Regulations”	all legislation and guidelines of the European Union applicable to the Programme, including but not limited to those Regulations as detailed in Section 1 of the Programme Rules.
“Financial Control Unit”	. Is a part of the Managing Authority which will carry out administrative verifications of each claim and on the spot verifications in accordance with Article 125 of Council Regulation (EU) 1303/2013 as amended by Article 272 (55) of Regulation (EU) 1046/2018

“Force Majeure”	any circumstance not within the reasonable control of SEUPB including without limitation acts of God, natural disasters, epidemic or pandemic, terrorist attack, civil commotion, armed conflict, imposition of sanctions, embargo or breaking off of diplomatic relation, nuclear, chemical or biological contamination, any law or any action taken by a government or public authority, collapse of buildings, fire, explosion or accident, any labour or trade dispute, strike, industrial action or lockout or interruption or failure of utility service.
“Grant”	the maximum amount of financial assistance available to the Lead Partner for the costs of the Project; this is made up of European Regional Development Fund monies as further defined in the Letter of Offer.
“Grant Contract”	the agreement between SEUPB and the Lead Partner which is formed when the Lead Partner has accepted the Letter of Offer in accordance with the provisions of clause 1.4 below and which incorporates the Letter of Offer, the Standard Conditions of Grant and the Programme Rules.
“Irregularity”	<p>(1) any breach of or non-adherence to the terms of the Letter of Offer and these Standard Conditions of Grant; (2) the omission of information from accounting records, financial statements, or other records, reports or documents which could have an effect on the entitlement of the Lead Partner or any Applicant to assistance; and which could include (by way of example only):</p> <ul style="list-style-type: none"> • errors with material adverse consequences • the misuse of finance or other resources • any malpractice or omission in the management, supervision or delivery of the Project • any illegal or fraudulent action in connection with the Project • the falsification of records or documents • the misstatement, omission or failure to provide detail of events, transactions or any required information.
“Joint Secretariat”	the secretariat which is the main implementation mechanism for the Programmes and which is comprised of staff from SEUPB.
“Lead Partner”	the body or organisation (not being an individual) identified in the Letter of Offer who may be an Applicant and who will have overall administrative and financial responsibility for the implementation of the Project as set out more fully in the Letter of

	Offer. The Lead Partner fulfills the functions of the lead beneficiary as set out within the EU Regulations and as more particularly specified in Regulation (EU) 1299/2013 Article 13.
“Letter of Offer”	the letter of offer incorporating these standard conditions of grant, and which describes the Project for which Grant is to be applied by the Lead Partner and the maximum offer of Grant which may be awarded in relation to the Project.
“Managing Authority”	the authority responsible for coordinating the Programmes and which is comprised of staff from SEUPB.
“Match Funding”	Money provided by or at the request of the grantee which, when added to the ERDF funding, comprises the total project cost. The match funding contribution may be public and/or private money.
“Monitoring Committee”	the Programme Monitoring Committee specified in the Cooperation Programme.
“Partnership Agreement”	an agreement between the Lead Partner and such other person, body or organisation (not being an individual) who is a party to the agreement and which (1) defines their respective duties, functions and responsibilities in the implementation of the Project and (2) is signed by the parties before funding is drawn down.
Post Project Evaluation	the evaluation form to be submitted by the Lead Partner prior to the expiry of the Project Lifetime (as specified in the Letter of Offer) which shall be in the format as required by SEUPB and which shall include details regarding the achievement of the approved list of outputs (as specified in the Letter of Offer).
“Programme”	the PEACE IV Programme - EU Programme for Peace and Reconciliation in Northern Ireland and the Border Region of Ireland 2014-2020; and/or (as appropriate) the INTERREG VA Programme - Cross-border Programme for Territorial Co-operation 2014-2020 Northern Ireland, the Border Region of Ireland and Western Scotland.
“Programme Rules”	the programme rules related to the Programmes as may be amended, extended or replaced from time to time.

“Project”	the Project described in the Letter of Offer.
“Project Lifetime”	the lifetime of the Project as detailed in the Letter of Offer or as otherwise agreed in writing between the parties in accordance with the terms of the Grant Contract.
“Project Partner”	a party to the application for Grant and who is identified in the Letter of Offer as a person, body or organisation (not being an individual) undertaking the Project.
“Senior Responsible Officer”	the representative of the Lead Partner who shall be responsible for ensuring that the Project meets its approved list of outputs (as detailed in the Letter of Offer) and who shall be approved in writing by SEUPB to liaise with SEUPB on behalf of the Lead Partner.
“SEUPB”	the Special European Union Programmes Body.
“Steering Committee”	the Programme Steering Committee specified in the Cooperation Programme.

GENERAL CONDITIONS OF GRANT

I. INTRODUCTION

- 1.1 The Letter of Offer is an offer to the Lead Partner which on acceptance, along with the Standard Conditions of Grant and Programme Rules (together the “**Grant Contract**”), will constitute the legal basis for the commitment of Grant to the Project. The Lead Partner should read the Grant Contract documentation carefully before accepting the offer of Grant. It is a condition of Grant that all activities and expenditure relating to the Project must be in conformity with the criteria laid down in the Programme and the Programme Rules, as well as the Letter of Offer and Standard Conditions of Grant.
- 1.2 Any Additional Conditions for the payment of Grant will be set out in the Letter of Offer. The Lead Partner shall ensure that the information contained in the Letter of Offer, these Standard Conditions of Grant and the Programme Rules are provided to every Project Partner and that receipt of same is acknowledged to SEUPB in writing by each Project Partner.
- 1.3 In order to be eligible to receive support under the PEACE IV and INTERREG VA Programme the Project shall comply with the Letter of Offer which incorporates the Standard Conditions of Grant set out in this document and the Programme Rules.
- 1.4 If the Lead Partner is prepared to accept the offer of Grant set out in the Letter of Offer it shall complete, sign and return to SEUPB at the address stated in the Letter of Offer the Form of Acceptance which is set out at Annex B to the Letter of Offer. If the Letter of Offer is not returned within 28 days of the date of issue or other agreed date the offer will be deemed to have lapsed. The Grant Contract shall only become binding when SEUPB has received at the correct address a properly signed and completed Form of Acceptance from the Lead Partner.
- 1.5 The Cooperation Programmes are accessible via www.seupb.eu
- 1.6 The Lead Partner, in carrying out its duties under the Grant Contract, shall comply with and implement the provisions of the EU Regulations and all applicable national laws and legal obligations in Northern Ireland, Ireland, and Scotland (as appropriate).
- 1.7 The Lead Partner, in carrying out its duties under the Grant Contract, shall endeavour to follow the seven Principles for the Conduct of People in Public Life i.e. Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership in order to ensure the highest standards of propriety are maintained.
- 1.8 The Lead Partner by accepting the Letter of Offer, indemnifies SEUPB against all claims, proceedings, actions, damages, legal costs, expenses and any other liabilities in respect of death, personal injury, disease transmission, loss of or damage to property arising out of or in any way connected with the performance or non-performance by the Lead Partner of all or any activities associated with the Project and without prejudice to the generality of the foregoing the use, misuse, malfunction or failure of any plant, machinery or equipment approved for Grant under the Letter of Offer. SEUPB **shall not be liable** for any injury, damage or loss (of any kind) howsoever caused relating to the Project.

- 1.9 The Lead Partner, by accepting the Letter of Offer, accepts that SEUPB may receive requests for information from third parties which shall be processed, as relevant, by SEUPB in accordance with the provisions outlined within the North South Implementation Bodies' Freedom of Information Code of Practice to which SEUPB adheres. The Lead Partner accepts and agrees that adherence by SEUPB to the Code of Practice further to such requests may result in the disclosure of information related to the Project as provided by the Lead Partner and/or the Project Partners to SEUPB. Further information on the Code of Practice may be found at www.seupb.eu.

2. EUROPEAN UNION RULES AND REGULATIONS

- 2.1 The Project shall comply with the regulatory framework for the Programmes as detailed within the Programme Rules.

3 MEMBER STATES' LEGISLATION AND EMPLOYMENT PROCEDURES

- 3.1 The Applicant shall comply with and implement the provisions of all applicable national laws and legal obligations in Northern Ireland, Ireland, and Scotland (as appropriate) including, but not limited to, anti-discrimination and health and safety provisions, in particular; (in Northern Ireland) the requirements of Section 75 of the Northern Ireland Act 1998, Sex Discrimination (NI) Orders 1976 and 1988, the Fair Employment (NI) Acts 1976 and 1989, the Disability Discrimination Act 1995 (as it applies in Northern Ireland), the Race Relations (NI) Order 1997; (in Ireland) the Employment Equality Act 1998 and the Equal Status Act 2000; and in Scotland any like or broadly equivalent legislation; and in each jurisdiction all legislation amending, extending or replacing same.
- 3.2 Where Grant is used to employ new staff, either full or part time, the employer shall ensure that all such posts are appropriately advertised, and shall attribute the source of funding to the Programme. In addition, all recruitment procedures shall be conducted in compliance with applicable national and local laws and legal obligations together with any applicable guidelines issued (as appropriate) by the Equality Commission (Northern Ireland), the Equality Authority (Ireland) and the Equality and Human Rights Commission (Scotland).
- 3.3 SEUPB reserves the right to have a representative on short listing and interview panels.
- 3.4 The Lead Partner shall be solely responsible for the legal, contractual and financial consequences of all procedures and processes relating to staff recruitment and employment, and those which may arise from the termination of any employment related to the Project. The Lead Partner shall indemnify SEUPB in full against all such legal, contractual and financial consequences.
- 3.5 If any person is a director or a trustee of, or has a beneficial interest in, the Lead Partner or a Project Partner he/she shall not enter into any financial or other arrangement with the Project to supply goods, facilities or services to the Project for personal payment or gain.
- 3.6 If a person is employed to work on the Project he/she (and any spouse, child, partner or anyone directly connected with him/her) shall not enter into any

financial or other arrangement with the Project to supply goods, facilities or services to the Project for personal payment or gain.

4. ELIGIBILITY PERIOD

- 4.1 Grant for the Project shall be for the Project Lifetime only and SEUPB shall have no obligation to provide funds for any other period. All expenditure must be incurred and defrayed from bank accounts prior to the expiry of the Project Lifetime.
- 4.2 As a condition of receiving Grant, the Lead Partner and the Project Partner shall adhere strictly to the Budget.

5. RESPONSIBILITY AND OBLIGATIONS OF LEAD PARTNER

- 5.1 In accordance with Regulation (EC) 2099/2013 Article 13, the Project Partners shall, subject to the approval of SEUPB, appoint a Lead Partner for each Project. The Lead Partner shall act as the link between the Project and the Programme and shall have overall administrative and financial responsibility for the Project.
- 5.2 The Lead Partner and the Project Partners shall enter into a Partnership Agreement which shall include full details of the Project Partners, the extent of their responsibilities and the amount of Match Funding (if any) which they must provide. The signed Partnership Agreement(s) shall be submitted to SEUPB prior to the first payment of grant. The payment of Grant shall be conditional on the Partnership Agreement(s) being in a form acceptable to SEUPB.
- 5.3 A template of a Partnership Agreement is available on line at www.seupb.eu. Lead Partners may adapt this template to suit the specific requirements of their Project and partnership.
- 5.4 Once the Grant Contract becomes binding the Lead Partner shall sign all subsequent documents sent to SEUPB, including claims for payments of Grant, and the signature of the Lead Partner (and the Project Partners if they have also signed any such documentation) shall be a warranty of the accuracy of information provided.
- 5.5 The day-to-day management of the Project shall be the responsibility of the Lead Partner who will appoint a contact person and Senior Responsible Officer.
- 5.6 The responsibilities of the Lead Partner are detailed within the Programme Rules (Main Responsibilities of Lead Partner).
- 5.7 **Structured Training:** A condition precedent for the payment of Grant is that the Lead Partner and the Project Partner shall at the request of SEUPB attend and participate in such workshops and training sessions as SEUPB may consider appropriate. It is agreed between the parties that SEUPB shall be under no obligation to provide any such training. The Lead Partner and the Project Partner shall follow industry best practice in relation to the training of all Lead Partner/Project Partner staff involved in the Project and shall be responsible for compliance with all obligations imposed by EU Regulations in relation to such staff training.

- 5.8 A failure to attend workshops and training sessions or to submit the required documentation within the given deadlines may result in Grant offer as detailed in the Letter of Offer being withdrawn or the termination of Grant.
- 5.9 **Change of Point of Contact:** If at any time before the Project has been satisfactorily completed the contact person or Senior Responsible Officer resigns, retires or otherwise disassociate himself/herself from the Project, he/she (or the Lead Partner on his/her behalf) shall inform SEUPB in writing giving such notice as is reasonable in the circumstances and the Lead Partner shall liaise with SEUPB and obtain its written approval for the new appointment.
- 5.10 The Lead Partner shall ensure that **any requests for information** relating to a Project in receipt of Grant are processed in accordance with the provisions of the relevant statute in each jurisdiction. This includes but may not be limited to: The Freedom of Information Act 2000, the Data Protection Act 1998 and Environmental Information Regulations 2004 in the UK; the Freedom of Information Acts 1997 and 2003 and the Data Protection Acts 1988 and 2003 in Ireland; and any legislation amending, extending, replacing or equivalent to the same. Where an organisation in receipt of Grant falls outside of the above statute, it will be the responsibility of the Lead Partner to ensure that any Project related information requests are processed within the spirit of Freedom of Information procedure. In this case, Lead Partners should follow provisions outlined within the North South Implementation Bodies' Freedom of Information Code of Practice to which SEUPB adheres. Further information on this Code can be found at: www.seupb.eu
- 5.11 SEUPB reserves the right to specify that Grant may not be utilised where, in the reasonable opinion of SEUPB, the use of the Grant in such circumstances would cause reputational damage to the relevant Programme.

6. EXPENDITURE PROFILE - PROJECT BUDGET

- 6.1 The PEACE IV or INTERREG VA Grant for the Project is allocated from the European Regional Development Fund and in some cases co-financed by the UK and Irish Governments. The offer of Grant for the Project is **up to the maximum amount** as stated in the Letter of Offer. For the avoidance of doubt the Grant figure specified in the Letter of Offer constitutes the maximum amount of funding which may be made available for the Project however SEUPB provide no guarantee that this maximum amount will be provided during the Project Lifetime. It is recognised and agreed that the provision of Grant to the Lead Partner is subject to the terms and conditions set out in the Grant Contract, including but not limited to the provisions related to Eligible Costs. SEUPB shall have no liability to any person in respect of any loss which may be attributable to failure to provide the maximum amount of Grant to the Lead Partner.
- 6.2 The Budget must be strictly adhered to. Therefore, before accepting the Letter of Offer the Lead Partner must ensure that the Budget agrees with their understanding of the financial breakdowns and Budget originally proposed as a result of any amendments made during the assessment process. Any Budget overruns shall be borne by the Lead Partner and cannot be met by SEUPB.
- 6.3 Grant is allocated on a calendar year basis. The Lead Partner shall implement the Project in accordance with the calendar year expenditure profile of the Budget

as set out in the Letter of Offer. This will require that claims for that year are submitted in advance of 31st October of the given year.

- 6.4 SEUPB shall have no liability to any person in respect of any loss attributable to any delay in the payment of claims or as the result of any suspension, reduction or cancellation of financial assistance by the European Commission or national funding providers **or in the event of Force Majeure**.

7. OTHER SOURCES OF FUNDING

- 7.1 Assistance from the Grant cannot result in over-financing of the Project. Double funding of Project costs is not permitted. If other sources of funding have or may become available for the Project, the Lead Partner shall immediately notify SEUPB in writing of this fact or possibility and SEUPB shall on written notice to the Lead Partner be entitled to cease or suspend further payments of Grant, reduce the amount of Grant payable, or recoup all or any part of the Grant already paid. The Lead Partner will be required to declare to SEUPB the other funding available to the Project annually and SEUPB reserve the right to request evidence of the other funding.
- 7.2 If the Lead Partner fails to notify SEUPB as required under condition 7.1 SEUPB on becoming aware that other sources of funding have or may become available for the Project, shall, on written notice to the Lead Partner, be entitled to cease or suspend further payments of Grant, reduce the amount of Grant payable, or recoup all or any part of the amount of Grant already paid.
- 7.3 The Lead Partner, in accordance with (EC) 1303/2013 Article 61 as amended by Article 272 (26) of Regulation (EU) 1046/2018 shall be required to keep records of net revenue generating income.

8 CHANGES TO THE PROJECT

- 8.1 The Grant shall be used only for the purposes of the Project as defined in the Letter of Offer. Any significant proposed or anticipated changes to the Project must be notified in writing by the Lead Partner's Senior Responsible Officer to SEUPB as soon as they are contemplated. This request shall set out the reasons why the Lead Partner and/or Project Partner believes a revised project should be funded by the Programme, and should demonstrate how the revised project can continue to offer added value and meet its intended results and outputs. SEUPB shall not be obliged to agree to any revision of the Project, and any continuation of assistance will be subject to the written approval of SEUPB and the formal amendment of the Letter of Offer. SEUPB does not have authority to increase the amount of Grant to the original or any revised Project.
- 8.2 Details of any significant changes and SEUPB approval must be reported in the final claim giving:
- details of the change;
 - the reasons for the change;
 - details of how the Project still met its objectives; and
 - the reasons why the Project still merits Programme funding.
- 8.3 Claims submitted that differ significantly from the original approved application without prior notification and approval, may result in the full assistance given

under the Letter of Offer being deemed invalid in which case SEUPB shall be entitled to recoup all or any part of the amount of Grant already paid.

8.4 Examples of significant issues that must be notified and approved include:

- changes to the start or end date of the Project;
- changes to the content of the Project from that set out in the original approved application, e.g. changing the scope, delivery or aim;
- changes in sources(s) and the amounts of funding (note that condition 7 (Other Sources of Funding) also applies);
- changes to the estimated expenditure and/or revenue;
- claims for extra items of expenditure;
- changes to the Project name or the name of the Lead Partner;
- changes in key personnel employed or engaged on the Project;
- changes to the corporate governance arrangements of a Project including any change of Control of a Lead Partner or Project Partner;
- concerns with regard to the management of public monies/funds.
- Any change affecting the Letter of Offer

The above list is not exhaustive and the Lead Partner should contact SEUPB should any doubt exist as to the need to report proposed changes.

8.5 In the event of a change to the Project such as those identified at 8.4 above, SEUPB reserves the right to take one or more of the following actions:

- to require that activity on all or part of the Project should cease pending an investigation;
- to withhold any further payments of Grant until the outcome of the investigation is known;
- to recoup all or any part of the Grant; to enforce security held to facilitate or effect repayment of Grant.

8.6 The Lead Partner has no right of appeal to an SEUPB decision on any request for change.

9 FINANCIAL ARRANGEMENTS

9.1 GENERAL PRINCIPLES

9.1.1 Grant will only be paid whenever satisfactory documentary evidence is provided to SEUPB that confirms that the claimed expenditure or unit cost is eligible for Grant, has actually been incurred and was necessary to support the Project. Claims which include apportioned expenditure such as overhead costs should be claimed in accordance with the eligibility rules. Mark up percentages and other notional or opportunity costs are not eligible for Grant.

9.1.2 The Lead Partner and the Project Partners shall maintain a full audit trail and all necessary associated accounting records to enable full verification of expenditure and/or verification of the delivery of agreed outputs and unit costs. All expenditure must comply with public sector regulatory and legal requirements.

9.1.3 Claimed expenditure must not have been grant aided from other public funds, must not be recoverable from other bodies or organisations and any Project

receipts or income must be fully offset against expenditure before Grant becomes payable.

- 9.1.4 SEUPB reserves the right to withhold payment to Lead Partners where satisfactory achievement of milestones and/or outputs has not been evidenced.

9.2 ELIGIBILITY OF EXPENDITURE

- 9.2.1 **Eligible expenditure must be based on real costs, be proportionate, represent value for money and be directly related to Project activity, unless a simplified cost option is being used and has been agreed with SEUPB.**

- 9.2.2 Value for money should be a key driver irrespective of the approved Budget and the Lead Partner is responsible for ensuring the value for money is achieved in all public expenditure.

- 9.2.3 SEUPB reserve the right to inspect any aspect of the approved outputs of the Project (as detailed in the Letter of Offer) as part of the verification process of Eligibility for Grant.

9.3. PAYMENT OF GRANT

- 9.3.1 The responsibilities of the Lead Partner and the process regarding the payment of Grant are detailed within the Programme Rules (Lead Partner's Responsibility to Ensure Eligibility of Costs).

- 9.3.2 A progress report and payment claim form template will be made available in a web-based format to the Lead Partner by SEUPB and all progress reports and payment claims submitted shall, so far as possible, be in accordance with the respective template which may be amended by SEUPB from time to time.

- 9.3.3 Any over-payment of Grant shall be repaid by the Lead Partner to SEUPB immediately on receipt of a written demand from SEUPB, or immediately upon the Lead Partner becoming aware that the Grant has been over-paid, whichever first occurs.

- 9.3.4 All amounts due under the Grant Contract shall be paid by the Lead Partner to SEUPB in full without any set-off, counterclaim, deduction or withholding (other than any deduction or withholding of tax as required by law).

9.4 CASH FLOW FORECASTS

- 9.4.1 In each year during the life of the Project the Lead Partner shall submit to SEUPB an updated cash flow on a quarterly basis. A monthly forecast must be prepared for the current year and quarterly for subsequent years.

- 9.4.2 The Lead Partner shall be required to provide an explanation to the satisfaction of SEUPB if actual claimed expenditure varies significantly from the previously submitted quarterly forecast. A failure to submit accurate cash flow forecasts may result in a reduction in the amount of Grant that can be paid to the Project. Paragraph 6.4 also refers.

9.5 DEDICATED BANK ACCOUNT

- 9.5.1 The Lead Partner shall open and maintain a separate bank account for the receipt and disbursement of Grant and, to ensure a clear audit trail, all monies received for the Project must be lodged in full to this bank account. This bank account shall be a non-interest bearing account and shall identify that it is a Programme funded account for the Project.
- 9.5.2 A Lead Partner which is involved in the delivery of multiple Projects may wish to utilise a financial system using cost centres rather than separate bank accounts. In such cases the Lead Partner may request permission from SEUPB to retain this system for the purposes of managing the Project, and subject to the Lead Partner being able to satisfy SEUPB that its system guarantees a clear audit trail with regard to all aspects of the Project's finances, SEUPB may (but shall not be obliged to) grant the permission sought. SEUPB may at any time revoke this permission by written notice to the Lead Partner, and the Lead Partner shall immediately take steps to comply with its obligation under clause 9.5.1.

9.6 STAFF EMPLOYMENT

- 9.6.1 Where a Project includes the employment of staff, a record shall be established of the recruitment and appointment of all staff required for the Project, including a copy of their contracts and terms and conditions of employment and any subsequent amendment to either.
- 9.6.2 All personnel and salary changes must be fully documented in accordance with the Letter of Offer and notified to SEUPB.
- 9.6.3 Claims for salary cost reimbursement must be fully supported by payroll evidence including details of employer costs. Recoverable payroll costs, including but not limited to statutory sick pay, maternity pay and paternity pay, remain the responsibility of the employer and are not eligible for Grant. For the avoidance of doubt, the Lead Partner/Project Partner remains fully responsible and liable as the relevant employer in respect of all relevant disciplinary/grievance policies implemented in respect of Lead Partner/Project Partner staff involved in the Project. SEUPB shall have no liability to any person in respect of any action brought against the Lead Partner or Project Partner and the Lead Partner, by accepting the Letter of Offer, indemnifies SEUPB against all actions, damages, legal costs, expenses and any other liabilities in respect of the persons carrying out activities relating to the Project under the direction of the Lead Partner or Project Partners.
- 9.6.4 The Lead Partner in its role as an employer shall follow industry best practice in relation to all staff recruitment and employment related to the Project and shall, upon request, provide evidence to SEUPB that such staff appointments are reasonable, necessary and proportionate both in the context of the size and administrative resources of the Lead Partner and Project Partner and the requirements of the Project.

9.7 INSURANCE

- 9.7.1 The Lead Partner shall have and maintain in place such policy (ies) of insurance as is (or are) necessary to cover all liabilities to SEUPB and to the European Commission arising under the Project, to the extent that such insurances are reasonably available on the insurance market. Such insurances shall include, where appropriate, Employers' Liability Insurance, Professional Indemnity/Directors and Officers/Fidelity Insurance, Buildings and Property Contents Insurance (to include IT equipment) and Public Liability Insurance.
- 9.7.2 The Lead Partner shall, if required by SEUPB, produce for its inspection such documentary evidence of insurances and shall ensure that any relevant interest of SEUPB shall be recorded on such insurance policies.
- 9.7.3 Public procurement rules must be implemented in the award of all contracts for insurance.

10. PUBLICITY, BRANDING AND PROMOTION OF THE PROGRAMME

- 10.1 SEUPB must publish details of the financial assistance referred to in this Letter of Offer at such times and in such manner as it may decide. SEUPB will publish information about all beneficiaries, including the total amount of Grant assistance received on SEUPB's website: www.seupb.eu. The Lead Partner and Project Partners shall provide any further information about the Project requested by SEUPB or the European Commission and shall permit the publication of that and any other related information.
- 10.2 Acknowledgement of the financial contribution from the European Regional Development Fund shall be included in any brochures, leaflets, job/recruiting advertisements or any other publicity material or any capital assets produced or purchased by the Lead Partner and or the Project Partner in connection with the Project.
- 10.3 The Lead Partner and the Project Partner shall ensure that due prominence is given to the assistance received from the Programme on all materials produced and distributed relating to the Project. The relevant Programme logo as specified in the SEUPB 'Publicity and Marketing Toolkit' for EU funded projects must be used on all publicity material.-
- 10.4 The Lead Partner and/or the Project Partner cannot use the relevant Programme or SEUPB logo for any activity that is not funded by ERDF or SEUPB nor in any context that would negatively impact upon the reputation of the European Commission, SEUPB or contravene the core aims and objectives of the Programme. If the Lead Partner and/or the Project Partner are found to have breached this stipulation then the costs of the material produced will be deemed ineligible and a financial penalty may be imposed.
- 10.5 A Guidance Note (the 'Publicity and Marketing Toolkit') on all project communication requirements is available on www.seupb.eu. Any query on project communications activity should be sent via email: communications@seupb.eu

11. PROJECT CONTROL

11.1 SITE VISITS

- 11.1.1 SEUPB or any agent appointed on behalf of SEUPB may visit the Lead Partner at least once during the Project's lifetime for an in depth meeting. The aim of such a visit is to verify the management and control systems put in place and verify the delivery of Project objectives and approved outputs.
- 11.1.2 The Lead Partner shall ensure that all original Project documents, in particular those relating to the audit trail, are made available.
- 11.1.3 SEUPB or any agent appointed on behalf of SEUPB reserves the right to visit Projects or any activity sponsored by a Project without prior notice to the Lead Partner or Project Partners.

11.2 AUDIT AND REVIEW

- 11.2.1 Further details regarding audit obligations and the audit process are detailed within the Programme Rules (Compliance with Audit Requirements).
- 11.2.2 Any payment of Grant, which is subsequently deemed to be ineligible following a retrospective audit report, shall be repaid by the Lead Partner to SEUPB immediately on receipt of a written demand from SEUPB. Failure to comply with this demand may result in legal proceedings to recover Grant deemed ineligible.
- 11.2.3 The Auditor's entitlement to inspect, retain and make copies of the Records, and the obligation of the Lead Partner to supply or make available the Records shall extend to all Records however stored including hard or soft copy or any other electronic or digital form. The rights of the Auditor under this sub clause to inspect, retain and make copies of the Records shall not be restricted by the fact that the Records are intermixed with documents, files or records relating to a third party. By accepting the Letter of Offer the Lead Partner expressly grants the Auditor exercising rights under this sub clause permission to enter any premises, owned or occupied by it or under its control and under the Partnership Agreement shall procure the same rights for SEUPB in respect of any premises being used to deliver the Project and whether owned, occupied or under the control of a Project Partner or any third party.

12 MONITORING AND EVALUATION

- 12.1 Monitoring the Programme is a regulatory requirement to ensure an effective deployment of the European Union Structural and Investment Funds. Monitoring at Project level is crucial for delivering high quality results. Lead Partners are required to regularly and systematically review outputs, results and objectives of all Project activities and report to SEUPB.
- 12.2 In order to monitor the rate of implementation of a Project and to assess its effects in relation to the objectives of the Programme of which it forms an integral part it will be necessary for the Lead Partner and or the Project Partner to complete a monitoring return on a three monthly basis. Monitoring reports should be returned to SEUPB within one month of quarter end.
- 12.3 As specified under Section 7 of the Cooperation Programmes, a mid-term evaluation will be completed by SEUPB on projects with a timeframe over 3 years in duration. The evaluation will be used to assess the project's

effectiveness and ability to deliver on the agreed outputs within the letter of offer.

- 12.4 Failure to deliver on Project objectives as outlined in the Letter of Offer may result in a delay to and/or a reduction of the amount of Grant that can be paid to the Project.
- 12.5 It is the responsibility of the Lead Partner to ensure the Post Project Evaluation is submitted in line with SEUPB requirements.

13. REVENUE-GENERATING PROJECTS

- 13.1 A revenue-generating project as set out in (EU) 1303/2013 Article 61 as amended by Article 272 (26) (26) of Regulation (EU) 1046/2018 refers to actions that are subject to charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or any other provision of services against payments, with the exception of cost-savings resulting from the implementation of energy efficiency measures.
- 13.2 . Such Projects should be managed in accordance with the (EU) 1303/2013 Article 61 as amended by Article 272 (26) of Regulation (EU) 1046/2018 and SEUPB's Programme Rules

14 RETENTION OF DOCUMENTATION

- 14.1 . Documentation should be retained in accordance with (EU) 1303/2013 Article 140 as amended by Article 272 (61) of Regulation (EU) 1046/2018. Documents are to be kept either in the form of originals, or certified true copies of the originals, or on commonly accepted data carriers including electronic versions of original documents or documents existing in electronic version only. Where documents are kept on commonly accepted data carriers in accordance with the procedure laid down in paragraph 5, no originals shall be required.
- 14.2 SEUPB shall have the right to relay Project records to the Audit Authority and external stakeholders as necessary to ensure the effective management of Programme funds.

15. PROTECTION OF THE ENVIRONMENT

- 15.1 In accepting this Letter of Offer, the Lead Partner undertakes for itself and for any Project Partner to address all aspects of the Project which have an impact on the environment and to use its best endeavours to adopt and implement an appropriate environmental policy. At the request of SEUPB the Lead Partner shall provide to SEUPB its environmental policy for review and comment.

16 POLITICAL ACTIVITIES

- 16.1 Grant under this Grant Contract shall not be used for any purposes which are party political in intention, use or presentation. Party political activities include, but are not limited to: paid or unpaid advertisements in party political

newspapers; use of Project resources (including staff and offices) for election campaigns, including independent candidates; attendance at party conferences (unless such attendance is included as part of agreed activities in the Letter of Offer); use of Project offices that are closely associated with the offices of a political party; Project participation at public demonstrations or rallies of a political nature.

17 LIMITATIONS

- 17.1 Grant provided under the Grant Contract does not imply any further commitment to the Project when the terms of the Grant Contract have been completed or terminated.

18 ASSIGNMENT

The Lead Partner and the Project Partners shall not, without the prior written consent of SEUPB, assign to, or charge for the benefit of, any other person, body or organisation the right to receive Grant, or any equipment, goods and other assets purchased or constructed with Grant, or any other benefit or entitlement under the Grant Contract.

19 FRAUD

- 19.1 SEUPB is committed to the prevention of fraud and the promotion of an anti-fraud culture. SEUPB operates a zero-tolerance attitude to fraud and requires both staff, Lead Partners and Project Partners to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud. SEUPB will investigate all instances of actual, attempted and suspected fraud and will seek to recover funds and assets lost through fraud. The term “fraud” is commonly used to describe the use of deception to deprive, disadvantage or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information.
- 19.2 Activities which are considered to be of a fraudulent nature have been set out in Guidance Note on Fraud which is included in the Grant Contract documentation and is also available on www.seupb.eu.
- 19.3 The Lead Partner shall ensure this guidance is implemented throughout the operation funded. Where there is any doubt as to the action required, SEUPB should be contacted immediately for advice.
- 19.4 If any information provided by or on behalf of the Lead Partner in connection with the Grant Contract, including but not limited to, the application form, financial claims or quarterly reports, is found to be false or misleading or there has been a failure to disclose any material fact, which may have had a bearing on SEUPB's consideration of the application or claim; the Lead Partner or person acting on their behalf may be liable to prosecution. Furthermore a false declaration/statement will lead to the loss of future funding and a clawback of any previous Grant paid.
- 19.5 In the event of suspected fraud SEUPB reserve the right to suspend and/or terminate Grant unilaterally and commence legal proceedings to recover any Grant at risk.

20 DEFAULT

20.1 The Lead Partner shall be in default of its obligations to SEUPB if it:

- is in breach of any of its obligations under the Grant Contract and, if capable of remedy, has failed to remedy such breach within 28 days of receipt of a letter from SEUPB specifying the breach and the action necessary to remedy such breach;
- there is unsatisfactory progress towards completing the Project;
- fails to pay or repay to SEUPB any sum due by it whether under the Grant Contract or otherwise;
- is in the opinion of SEUPB for any reason no longer able to implement the Project;
- is unable to pay its debts within the meaning of (in Northern Ireland) Article 103 of the Insolvency (NI) Order 1989, (in Ireland) the Protection of Employees (Employers Insolvency) Action 1984 to 2001, or (in Scotland) section 123 of the Insolvency Act 1986;
- is served with an Order, or an effective resolution is passed, for its winding-up or if a receiver, administrative receiver, examiner or administrator is appointed over it or all or any of its property;
- a conflict of interest is identified as further detailed in the Programme Rules (Conflicts of Interest); ;
- ceases or threatens to cease carrying on its business or its interest in the Project;
- in the opinion of SEUPB, any information given to SEUPB by or on behalf of the Lead Partner in relation to the Project is found to be false or misleading or there has been a failure to disclose any material fact which would have had a bearing on SEUPB's consideration and management of the Project;
- fraud or serious financial irregularity is discovered.
- incorrectly advises on activities that are subject to state aid implication.

20.2 In any such event of default as outlined above SEUPB may in its absolute discretion terminate the Grant Contract unilaterally (with or without notice), withhold any or all of the Grant and/or require part or all the Grant already paid to be repaid or appoint a replacement Lead Partner, in which event it shall have no obligation to make further payments of Grant to the Lead Partner, and the Lead Partner shall immediately on written demand by SEUPB repay to SEUPB the aggregate of all payments of Grant already received by the Lead Partner (other than those already properly expended on the Project), or such lesser amount as SEUPB at its discretion may determine.

20.3 Interest at 1.5% over the European Central Bank borrowing rate from time to time shall be payable on any part of the Grant that is repayable under the terms of the Grant Contract. Interest shall accrue on a daily basis from the date of demand.

21. ADDITIONS/AMENDMENTS TO GRANT OFFER DOCUMENTATION

21.1 Over the course the Project SEUPB may wish to implement some changes and or additions to the Letter of Offer, the Standard Conditions of Grant or the

Programme Rules. The Lead Partner will be informed by SEUPB in writing of any such changes or additions and shall give full effect to the same in the manner directed by SEUPB.

22. DISPUTE RESOLUTION

- 22.1 If a dispute arises out of or in connection with the Grant Contract or the performance, validity or enforceability of it ("**Dispute**") then SEUPB and the Lead Partner shall follow the procedure set out in this clause:
- a. either party shall give to the other written notice of the Dispute, setting out its nature and full particulars ("**Dispute Notice**"), together with relevant supporting documents. On service of the Dispute Notice, a nominated representative of each party shall attempt in good faith to resolve the Dispute;
 - b. if the nominated representatives of each party are for any reason unable to resolve the Dispute within 30 days of service of the Dispute Notice, the Dispute shall be referred to a senior representative of each party who shall attempt in good faith to resolve the Dispute;
 - c. if the senior representatives of each party are for any reason unable to resolve the Dispute then either party may at this stage apply to the courts for final resolution of the Dispute in accordance with the terms of the Grant Contract.

23. PERSONAL DATA PROTECTION

- 23.1 Data collected is collected for the purpose of providing access to the eMS system, assessing project application forms, awarding funds to selected projects, as well as implementing, managing, monitoring and evaluating the subsidy contracts, protecting the financial interests of the EU (notably for verifications and audits) and for communicating on respective programme.
- 23.2 The recipients of this data are the programme authorities, the European Commission, the programme Member States authorities represented in the programme monitoring committee and group of auditors, contact points, the company carrying out second level audits on behalf of the audit authority and the group of auditors, the INTERACT programme authorities and any other entity to which the SEUPB may give access to its database, on a strict need to know basis. These recipients may have access to the projects data through eMS or the data may be transferred to them by the SEUPB. These recipients shall not alter the data submitted by the projects. Personal data will not be transferred outside of the European Economic Area and/or the United Kingdom.
- 23.3 To comply with its communication obligations about the Programme set in Annex XII of Regulation (EU) No 1303/2013, the SEUPB or the managing authority may publish summary information concerning approved projects, in any form and by any means, including the internet. This information may contain name of project, lead partners, project budget and project reports.
- 23.4 The data included in eMS will be kept in the eMS system for a period of 3 full years after the closure of the Programme for auditing and communication purposes. They may be archived outside of eMS for a longer period for statistical and historical purpose only. Any personal data collected in eMS will be

processed by the SEUPB in accordance with the Data Protection Act 2018, UK GDPR and the General Data Protection Regulation (EU) 2016/679.

- 23.5 The applicants and partners are authorised by the SEUPB to collect and process personal data required in the online forms, provided that they have informed the personnel whose personal data are collected and processed about the conditions of collection and processing of those data according to the eMS terms and conditions (by providing them with a copy of these terms and conditions) before transmitting those data to the SEUPB through eMS.
- 23.6 The persons whose personal data are processed have the right to access and correct their own personal data. For this purpose, they must send any queries about processing of their personal data to the SEUPB by sending a request through the SEUPB self-service portal.

GENERAL

- 24.1 Except where the Grant Contract expressly states or requires otherwise, the Grant Contract shall be governed by the laws of Northern Ireland and shall be subject to the non-exclusive jurisdiction of the Courts of Northern Ireland.
- 24.2 The Contracts (Rights of Third Parties) Act 1999 shall not apply to the Grant Contract.
- 24.3 It is not intended that any provision in the Grant Contract shall create a partnership, joint venture, or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity between any of the parties.
- 24.4 Although the terms of the Grant Contract are governed by the laws of Northern Ireland, this does not preclude or limit the obligation of the parties to comply with the laws of Ireland or Scotland in so far as it is necessary to do so to give effect to any term of the Grant Contract.
- 24.5 Any written notice to be given under this Grant Contract shall be delivered by hand or sent by first class prepaid post addressed to the notice party at the address stated in the Letter of Offer and shall be deemed to have been received either when delivered if served by hand, or in the ordinary course of post, unless the contrary is proved.
- 24.6 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.