

COMMISSION REGULATION (EC) No 1754/2006**of 28 November 2006****laying down detailed rules for the granting of Community financial assistance to Community reference laboratories for feed and food and the animal health sector**

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 90/424/EEC of 26 June 1990 on expenditure in the veterinary field ⁽¹⁾, and in particular Article 28(2) thereof,

Whereas:

- (1) Community reference laboratories fulfil the tasks and obligations laid down in Community veterinary legislation and in Regulation (EC) No 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules ⁽²⁾ in order to assist the Community.
- (2) Pursuant to Article 32(7) of Regulation (EC) No 882/2004, Community reference laboratories may be granted a Community financial contribution in accordance with Article 28 of Decision 90/424/EEC.
- (3) The eligibility criteria for the expenditure of the Community reference laboratories receiving financial assistance pursuant to Article 28 of Decision 90/424/EEC and the procedures for the submission of expenditure and the conduct of audits were set out in Commission Regulation (EC) No 156/2004 ⁽³⁾.
- (4) The level of the annual Community financial assistance for the operation of certain laboratories is decided upon each year by specific decisions in the field of veterinary public health, animal health and residues.
- (5) Since a number of changes are to be made to Regulation (EC) No 156/2004, that Regulation should be replaced in the interest of clarity, while taking account of Regulation (EC) No 882/2004.
- (6) These changes concern in particular the introduction of a partnership agreement defining the respective roles and responsibilities of each of the parties, and of a specific agreement, an update of the provisions relating to VAT and the updating of expenditure relating to missions and workshops.
- (7) This partnership agreement must run for five years in order to enable an operational network of national reference laboratories to be set up in new fields, new methods of analysis to be developed and the performance of national reference laboratories to be evaluated correctly.
- (8) A sound financial management justifies the application of this Regulation from the beginning of 2007. However, the laboratories must be given the opportunity to modify the estimated operating budget for 2007 in line with the provisions of this Regulation.
- (9) For financial control purposes, Articles 9, 36 and 37 of Council Regulation (EC) No 1290/2005 of 21 June 2005 on the financing of the common agricultural policy ⁽⁴⁾ are applicable.
- (10) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

⁽¹⁾ OJ L 224, 18.8.1990, p. 19. Decision as last amended by Decision 2006/53/EC (OJ L 29, 2.2.2006, p. 37).

⁽²⁾ OJ L 165, 30.4.2004, p. 1. Corrected version in OJ L 191, 28.5.2004, p. 1.

⁽³⁾ OJ L 27, 30.1.2004, p. 5.

⁽⁴⁾ OJ L 209, 11.8.2005, p. 1. Regulation as last amended by Regulation (EC) No 320/2006 (OJ L 58, 28.2.2006, p. 42).

HAS ADOPTED THIS REGULATION:

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject

This Regulation lays down the detailed rules for the granting of Community financial assistance for the operation of Community reference laboratories ('laboratories'), as provided for in Article 28 of Decision 90/424/EEC and Article 32 of Regulation (EC) No 882/2004, and for the organisation of workshops.

Article 2

Framework partnership agreement

The relationship between the Commission and the laboratory shall be laid down in a partnership agreement. The partnership agreement shall run for five years and be supported by a multi-annual work programme.

Article 3

Planned activities and estimated budget

1. The Community reference laboratories shall, by 1 September of each calendar year 'n', set out the Community activities planned in the course of the calendar year 'n + 1', and shall submit to the Commission the estimated budget concerning the expenditure on these activities.

For the 2007 financial year, the estimated budget drawn up in accordance with the provisions of Article 1 of Regulation (EC) No 156/2004 shall be deemed to have been submitted in accordance with this Regulation. The laboratories may, up until 15 December 2006, introduce changes to this estimated budget in accordance with the provisions of this Regulation.

2. The laboratories shall provide the estimated budget in computerised form in accordance with Annex I.

Article 4

Specific agreement

1. Following the adoption by the Commission of the annual decision on the granting of financial assistance, a specific agreement shall be entered into between the parties. This agreement shall in particular specify the amount of assistance and the percentage of co-financing.

2. Signature of the agreement by the parties shall be a precondition for any payment.

Article 5

Pre-financing

Following the signing of the specific agreement by the parties, pre-financing amounting to 70 % of the total assistance for the laboratory's operation and the organisation of workshops may be granted at the request of the beneficiary.

Article 6

Payment of the assistance

Provided that the approved work programmes are implemented effectively and the beneficiary submits the reports referred to in Articles 10 and 14 within the time-limits stipulated therein, the balance or the total amount of the Community financial assistance for the laboratory's operation and the organisation of workshops shall be paid out after the reports have been approved.

Article 7

Supporting documents

1. The beneficiary shall, for a period of seven years, keep a certified copy of the supporting documents relating to the operation receiving the Community financial assistance, particularly invoices, salary statements, attendance records, and documents relating to the shipment of samples and to missions.

2. The beneficiary shall record the expenditure submitted to the Commission in its cost accounting system and keep all original documents for seven years for audit purposes.

3. The supporting documents, testifying to all the costs mentioned in the application for reimbursement, shall be sent to the Commission on request.

Article 8

Checks

For financial control purposes, Articles 9, 36 and 37 of Regulation (EC) No 1290/2005 shall be applicable.

CHAPTER II

OPERATION OF THE LABORATORIES

Article 9

Eligibility

1. Expenditure relating to staff, subcontracting, capital equipment, consumables, the shipment of samples for comparative tests, missions and overheads shall be eligible under the laboratories' operation.

2. The expenditure referred to in paragraph 1 shall be eligible within the limits fixed by the Commission's annual decision on the granting of financial assistance, and in accordance with the eligibility rules set out in Annex II.

3. Any modification of an item which exceeds 10 % of its amount shall require the written prior consent of the Commission.

Article 10

Submission of reports on the operation of the laboratories

1. The financial report submitted in accordance with Annex III and the technical report on the operation of the laboratories, certified by the director, shall be sent no later than 31 March of the year following the end of the period for which the financial assistance was granted, with the postmark as proof of the date of posting.

2. When the time-limit set out in paragraph 1 is not respected, the financial assistance shall be reduced by 25 % on 1 April, 50 % on 1 May, 75 % on 1 June and 100 % on 1 July.

Article 11

Conversion rate for applications in national currency

The conversion rate for requests for pre-financing or the payment of balances in national currency submitted during month 'n' shall be that applying on the first of the month 'n', as published in the C series of the *Official Journal of the European Union*, or on the preceding day for which a rate is quoted.

Article 12

Value-added tax

Non-recoverable VAT paid by the beneficiary shall be regarded as eligible expenditure provided that, at the time the specific agreement referred to in Article 4 is signed, the beneficiary submits an attestation from the Finance Ministry of the Member State or from an equivalent authority certifying that it is not liable or is partially liable, and that the laboratory's area of activity is not subject to this tax.

CHAPTER III

ORGANISATION OF WORKSHOPS

Article 13

Eligibility

1. Expenditure relating to travel costs and daily allowances for a maximum of 32 participants in workshops, to which at least one per Member State has been invited, shall be eligible under the organisation of workshops.

2. The expenditure referred to in paragraph 1 shall be eligible within the limits fixed by the Commission's annual decision on the granting of financial assistance, and in accordance with the eligibility rules set out in section 3F of Annex VII to the Staff Regulations of officials of the European Communities as laid down in Regulation (EEC, Euratom, ECSC) No 259/68 of the Council ⁽¹⁾.

3. Derogations from paragraphs 1 and 2 may be granted in duly justified cases pursuant to the Commission's annual decision on the granting of financial assistance.

Article 14

Submission of the financial report on the workshops

1. The financial report on the workshops submitted in accordance with Annex IV and the technical report on the operation of the laboratories, certified by the director, shall be sent no later than two months after the workshop was held.

2. When the time-limit set out in paragraph 1 is not respected, the financial assistance shall be reduced by 25 % for a delay of one month in relation to the scheduled date of submission of the documents, 50 % for two months, 75 % for three months and 100 % for four months.

Article 15

Conversion rate for applications in national currency

The conversion rate for requests for pre-financing or the payment of balances in national currency shall be that applying on the first day of the month in which the workshop was held, as published in the C series of the *Official Journal of the European Union*, or on the preceding day for which a rate is quoted.

⁽¹⁾ OJ L 56, 4.3.1968, p. 1.

CHAPTER IV

Article 17

TRANSITIONAL AND FINAL PROVISIONS**Entry into force and applicability***Article 16*

This Regulation shall enter into force on the 20th day following its publication in the *Official Journal of the European Union*.

Repeal

Regulation (EC) No 156/2004 is hereby repealed.

It shall apply from 1 January 2007.

References to the repealed Regulation shall be construed as being made to this Regulation.

However, the second paragraph of Article 3(1) shall apply as from the date of entry into force of this Regulation.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 November 2006.

For the Commission

Markos KYPRIANOU

Member of the Commission

ANNEX I
(see Article 3(2))

ESTIMATED BUDGET FOR THE LABORATORY'S EXPENDITURE IN RESPECT OF COMMUNITY ACTIVITIES FROM 1 JANUARY TO 31 DECEMBER ...

Name and address of the Community reference laboratory:

Bank account to which the grant should be transferred:

Important: All costs must be expressed in national currency.

1. STAFF

Category ⁽¹⁾	Status ⁽²⁾	Gross monthly salary ⁽³⁾	Time spent on project (number of days) ⁽⁴⁾	Total eligible costs

Percentage of the laboratory's overall budget: ...

2. SUBCONTRACTING

Description	Cost excluding VAT	VAT	Total cost

Percentage of the laboratory's overall budget: ...

3. CAPITAL EQUIPMENT

	Description	Cost/value excl. VAT	VAT	Total cost/value	Date of purchase or rental	Date of delivery	% Use for project	Annual depreciation cost
2.1.	Equipment to be acquired during the period in question							
2.2.	Equipment acquired before the period in question							

Percentage of the laboratory's overall budget: ...

4. CONSUMABLES

Description by type ⁽⁵⁾	Cost excluding VAT	VAT	Total cost

Percentage of the laboratory's overall budget: ...

⁽¹⁾ To be specified for each person assigned to the project: senior scientist, junior scientist, technician, etc.

⁽²⁾ Public official, contract staff, etc. For contract staff, state the dates on which the contract starts and ends.

⁽³⁾ Actual gross monthly salary (do not use pay scales), including social and other charges appearing on the salary statement.

⁽⁴⁾ Calculated on the reference basis of 220 days/year.

⁽⁵⁾ Examples: reagents, test animals, small laboratory supplies, etc.

5. COMPARATIVE TESTS

Description	Cost excluding VAT	VAT	Total cost

6. MISSIONS

Description	Travel cost	Hotel	Subsistence	Total

7. OVERHEADS

Total expenditure (total items 1 to 6):	
Overheads: 7 %	
Total operating expenditure:	

8. WORKSHOPS

	Cost
Participants' travel expenses:	
Participants' daily allowances:	
Total expenditure for workshop:	

ANNEX II
(see Article 9(2))

Eligibility rules applicable to expenditure relating to staff, capital equipment, consumables, shipment of samples for the comparative tests, missions and overheads

1. Staff

Staff costs (whatever the staff's status) are limited to actual wage costs (remuneration, wages, social charges and retirement pension costs) for staff specifically allocated entirely or in part to the Community tasks, as set out in the approved work programme.

All staff working time devoted to Community tasks must be recorded and certified on a basis of minimum of 220 days/year. This must be done at least once a month by the appointed project leader or a duly authorised senior member of the beneficiary's staff.

2. Subcontracting

Reimbursement is to be based on actual costs incurred during the period in question. The beneficiary must also indicate the percentage of the laboratory's total subcontracting budget accounted for by the different items.

3. Capital equipment

Equipment purchased, leased or rented may be charged as a direct cost. The reimbursable amount for leased or rented equipment may not exceed the amount at which the equipment could have been purchased for the duration of the test. Reimbursable costs are to be calculated as follows:

$$\frac{A \times C \times D}{B}$$

A = period in months for which the equipment is to be used for the project, from the date of delivery

B = depreciation period of 60 months (36 months in the case of computer equipment costing less than EUR 25 000)

C = cost of equipment

D = percentage use of equipment on the project.

4. Consumables

Reimbursement is to be based on actual costs incurred during the period in question. The beneficiary must also indicate the percentage of the laboratory's total consumables budget accounted for by the different items.

All other expenditure on administration, business travel other than missions under point 6 and secretarial services is considered to be covered by 'overheads'.

5. Shipment of samples for comparative tests

Reimbursement is to be based on actual costs incurred in shipping samples for comparative tests.

6. Missions

Travel and subsistence costs incurred by the staff of the laboratories for missions mentioned in the approved work programme are to be reimbursed in accordance with the provisions of Article 13(2) of this Regulation.

7. Overheads

A flat-rate contribution of 7 % of actual reimbursable costs, calculated on the basis of all the direct costs listed above (items 1 to 6), is to be made automatically.

ANNEX III

CERTIFIED FINANCIAL REPORT**(see Article 10(1))**

From .../.../... to .../.../...

Conversion rate used: (EUR 1 = ...)

Reference number of the decision:

Name and address of beneficiary:

Ceiling on annual financial assistance from the Community:

Category of costs	Amount for the period (national currency)
1. Staff	
2. Subcontracting	
3. Capital equipment	
4. Consumables	
5. Comparative tests	
6. Missions	
Subtotal	
7. Overheads 7 %	
Total	

Certification by the beneficiary

We certify that:

- the above costs were incurred in connection with the tasks defined in the Decision and were essential to the sound performance of those tasks,
- this expenditure was actually incurred, accurately accounted for and eligible under the provisions of Regulation (EC) No 1754/2006,
- all supporting documents relating to these costs are available for inspection,
- we are not deriving any profit from the subsidy granted by the Commission.

Date:

Date:

Name of technical director:

Finance officer:

Signature:

Signature:

BREAKDOWN BY CATEGORY

(national currency)

1. STAFF

Category	Status	Gross monthly salary	Time spent on project (number of days)	Total eligible costs

Percentage of the laboratory's overall budget: ...

2. SUBCONTRACTING

Description	Supplier	Cost excluding VAT	VAT	Total cost

Percentage of the laboratory's overall budget: ...

3. CAPITAL EQUIPMENT

	Description	Cost/value excl: VAT	VAT	Total cost/ value	Date of purchase or rental	Date of delivery	% Use for project	Annual depreciation cost
2.1.	Equipment to be acquired during the period in question							
2.2.	Equipment acquired before the period in question							

Percentage of the laboratory's overall budget: ...

4. CONSUMABLES

Description (details of each expenditure item (!))	Supplier	Cost excluding VAT	VAT	Total cost

Percentage of the laboratory's overall budget: ...

5. COMPARATIVE TESTS

Description	Supplier	Cost excluding VAT	VAT	Total cost

(!) Each item should be shown on a separate line.

6. MISSIONS

Description	Travel cost	Hotel	Subsistence	Total

7. OVERHEADS

Total expenditure (total items 1 to 6):	
Overheads: 7 %	

8. TOTAL

Total operating expenditure	
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ANNEX IV

FINANCIAL REPORT CONCERNING THE WORKSHOPS
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(see Article 14(1))

Workshop on

Date: .../.../200...

Start: ...: ...

End: ...: ...

Reference number of the decision:

Name and address of beneficiary:

Maximum financial assistance:

Conversion rate used: (EUR 1 = ...)

Participants	Travel			Allowances			Total travel + allowances
	Name	Rail, air or car	In national currency	Converted into EUR	Number of days	Daily allowance	
Total							

Certification by the beneficiary

We certify that:

- this expenditure was actually incurred, accurately accounted for and eligible under the provisions of Regulation (EC) No 1754/2006,
- all supporting documents relating to these costs are available for inspection,
- we are not deriving any profit from the subsidy granted by the Commission.

Date:

Date:

Name of technical director:

Finance officer:

Signature:

Signature: