



Rural Payments
Agency

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Rural Development Programme for England 2014 - 2020

Guide to Managing a Successful LEADER Project

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The European Agricultural Fund
for Rural Development:
Europe investing in rural areas



Section 1: How to use this booklet

This booklet provides guidance on how to manage an RDPE funded LEADER project. It builds on the information given in the programme and scheme literature and sets out the general rules applicable to all projects.

Throughout the lifetime of your project you must keep in close contact with the LEADER team at your Accountable Body; a contact number will be in your RDPE Grant Funding Agreement.

Section 2: Your Grant Funding Agreement with the Accountable Body

This booklet is intended to assist recipients of RDPE funding to successfully deliver the aims of the project. For consistency, the following terminology has been adopted throughout the RDPE application process:

The Accountable Body

is the organisation responsible for delivering grant funding under LEADER on behalf of the Local Action Group. The Accountable Body enters into funding agreements with beneficiaries.

An Applicant

is someone who is applying for an RDPE grant – up to the point it is approved by RPA

A Beneficiary

is someone whose application has been approved and a Grant Funding Agreement has been signed by both parties.

The Project Manager

is your principal contact within the LEADER team, as identified by the Accountable Body in the Agreement Document.

The Rural Payments Agency (RPA)

is the Paying Agency for RDPE. It delegates authority to administer the LEADER programme to Accountable Bodies, who do so according to a national Operational Manual. The RPA makes payment of grant to the beneficiary against claims for eligible expenditure.

The Beneficiary is assumed to be the person who is in overall control of the project and who is taking the responsibility of complying with RDPE rules and regulations. They are likely to be the named individual whose details were entered in the 'Contact' section on the application form, and whom the Grant Funding Agreement was sent to and signed by. RPA requires a single point of

contact for each project which in most cases will be the Beneficiary. All claim forms for money received through RDPE will also have to be personally signed for by the Beneficiary or one of the delegated signatories on the Grant Funding Agreement.

However, this guide is not restricted solely to the named Beneficiary. In larger projects, and particularly collaborative ventures, a number of individuals may be responsible for delivering a successful project. Although the Beneficiary remains ultimately responsible to the Accountable Body, it may be useful for other key members of a project team to be made aware of the RDPE rules and regulations.

Grant Funding Agreement

The Grant Funding Agreement is a binding agreement between the Beneficiary and the Accountable Body. It consists of an Agreement Document, Annexes A-D and the Agreed Terms (standard Scheme and Programme Terms and Conditions). You should refer to it throughout the life of the project to ensure that you are complying with its requirements.

The key points to note include:

- The Grant Funding Agreement confirms the total expenditure which is eligible for funding through RDPE, a list of items eligible for grant funding and the grant rate (%).
- The Grant Funding Agreement includes the profile of your grant claims by date and amount based on information provided in your application. If the project changes for any reason, or there is reason to believe that the profile for incurring costs and claiming grant will not be adhered to, you must discuss this with your Project Manager as soon as you become aware that changes are necessary and before any changes are made.
- You cannot assume that it will be possible for the Accountable Body to recommend payment of your grant if you fail to comply with all the conditions and performance targets laid out in your Grant Funding Agreement. If you do not follow the requirements of the Grant Funding Agreement, RPA can refuse to pay your claims and/or can seek to recover money which you have already been paid.
- The Grant Funding Agreement also outlines the output and milestones targets which your project should achieve and any special conditions which you must observe. Milestones are used to monitor the progress of your project. They are specific and measurable and include a date by which they should be completed. Some conditions are general and apply to all projects, such as the provision of Progress Reports with claims or the requirement to publicise the RPA/EU funding contribution to your project.

Other conditions are specific to your project and will be based on the aims and activities of your project.

- If you need further advice about any aspect of your Grant Funding Agreement or if at any time it seems that your project is not on track to meet conditions, outputs, milestones or the financial profile, you should contact your Project Manager as soon as possible. It may be possible to agree a variation to the Grant Funding Agreement, any changes to your project must be agreed, in writing, by the Accountable Body, before any alterations to your project can be made.

Handling VAT

You can or cannot include VAT and this is an area that can present many problems with grant claims. However, the Grant Funding Agreement with the Accountable Body will specify how VAT will be handled in the project and is based on the information and evidence provided in your application when you first applied for grant aid. Beneficiaries are fully responsible for their own VAT affairs.

If VAT status changes within the period of the contract the Accountable Body must be notified immediately. Recovery of funds and penalties can apply if it is found that the VAT status has changed and the Beneficiary has failed to notify the Accountable Body.

SBI Number – Bank account details registered with Rural Payments.

In order to apply you will have registered your business with Rural Payments to obtain an SBI number.

Grant funding is paid directly into the bank account attached to your SBI number. **Therefore, prior to submitting your claim please ensure you have added your business bank details to your SBI number and that the details are valid and the account is active.** Failure to do this will result in your claim payment being delayed.

For more details contact the RPA helpline on 03000 200 301.

Project Inception Meeting

Once the Grant Funding Agreement has been signed by both parties, the Project Manager will organise a Project Inception meeting, which may be in person or by telephone. (In exceptional circumstances it may be appropriate to hold the inception meeting prior to the GFA being signed if an applicant has questions or queries regarding their project or details in the GFA) This is a useful opportunity for the Beneficiary to make contact with their Project Manager and discuss how the project will be delivered and what will be expected by the Accountable Body. Many of the points raised in this booklet will be discussed during the Project Inception Meeting.

Section 3: Submitting Claims


It is essential that you keep accurate records of all expenditure on which you wish to claim grant aid.

Claims for grant must be made on the Grant Claim Form issued to you. . If you have any questions when completing the form, please contact your Project Manager.

The claim form is divided into the following sections:

- Part 1: Your Details
- Part 2: Your Project Budget
- Part 3: Details of Your Claim
- Part 4: Information Required to Support Your Claim
- Part 5: Progress Against Milestones
- Part 6: Project Specific Conditions
- Part 7: Outputs - FINAL CLAIM ONLY
- Part 8: Declaration

Some of the sections, including your grant claim budget, will have been completed for you, but you should check this information to ensure it is correct.

The form will only let you update the parts that **you** need to complete, but you should read each section before starting. Throughout the form, you will see this symbol  which, when you 'click' on it, will provide you with information and guidance on how to complete that part of the form.

Information on submitting a claim is found on the 'Claim Form' tab. If it is the final claim, you will also need to complete the separate 'Outputs' tab for the project outputs that are in your Grant Funding Agreement.

Once you have completed and checked your claim form, send an electronic copy by email to the address shown on the Grant Claim Form. **You must also print a copy of the full claim form, sign the Grant Declaration and send the paper copy, with all of the supporting information,** to the LEADER team at the address provided by your Project Manager.

Scanned copies or hand written claim forms will not be accepted.

Expenditure is only eligible where it:

- Contributes directly to the operation and delivery of the project as stated in the Grant Funding Agreement;
- Relates to items and activities which are listed in the Grant Funding Agreement as eligible for funding;
- Is exclusively for the project.

- Incurred after the project start date outlined in the Grant Funding Agreement
- Is for items which have been fully paid for by the Beneficiary and evidence is provided with the claim to that effect, i.e. the Business bank statement.

You must provide the following documentation to support your claim. If any of this is not included or is not satisfactory it may delay or prevent RPA from paying your claim.

- **True copies of original invoices**, or original invoices. Poor copies will be rejected and your claim may be delayed as a result: ensure that all the details of the original invoice are clearly legible. If an invoice is emailed to you from the supplier in pdf format, please forward the original email and attached invoice.
- **Invoices** must describe and cost each item / description of work separately.
- **Invoices** must be addressed to the same person or company as detailed in the Grant Funding Agreement.
- **Invoices must** contain the supplier's name, address and VAT number and an Invoice Date.
- **Bank statements** (or true and legible copies of the original) showing the invoice payments being made, referencing the cheque number of the payment if applicable. Acceptable evidence includes screen shots from an online account with necessary defrayal details and showing the bank logos. Alternatively a report printed from a banking system can be certified as genuine by the bank and that certification provided alongside the claim. Redacted bank statements are not acceptable. Key fields that should appear on the bank statement are:
 - Bank's name and logo
 - Account holder name in full
 - Account Balance – opening and closing balance of the bank statement period
 - Sort code
 - Transaction date
 - Transaction type (Inc. payee ref/cheque no)
 - Transaction amount
 - Date bank evidence generated
- **For BACS payments** an additional breakdown of the payments will be required so that we can see the full audit trail and copies of the other invoices within the BACs payment must be submitted. Also the BACs report status should be complete.
- **Asset Register** which records all capital assets purchased as part of the Project should be kept for a minimum of **five years from the final payment date** and a copy submitted as part of the final claim submission.

- **Evidence of outputs achieved** – you need to collect and maintain a full record of project progress and collect evidence of the outputs, milestones and conditions achieved. This information will need to be provided with grant claims.
- **For items purchased by credit cards** – you will need to demonstrate that the item has been purchased in full by a credit card linked to the Beneficiary business. If any other credit card is used, there must be evidence to show that the item is transferred to the ownership of the Beneficiary **before** a claim is made.
- **For items paid for in instalments e.g. hire purchase or deposits and incremental payments** – you will only be able to claim for these items once the final instalment has been made and the item delivered and in your ownership.

Where an invoice includes a number of items but only one or two are eligible, you must highlight the eligible items. We will only pay grant for the eligible items. Invoices must be paid in full.

Cash payments must **NOT** be made for any items on which you wish to claim grant aid. This is because it is impossible to provide a satisfactory audit trail for cash payments. ***Any cash payments included on your grant claim will be rejected.***

Be aware that gross negligence in the submission of grant claims, or the submission of misleading information, could result in criminal prosecution and recovery of all grants plus interest.

Be aware that we aim to process complete claims so that they can be paid by the RPA within 30 working days of receipt. You will need to bear this delay in mind if it will affect the cash flow of the project/business. However, where information is incomplete, or not supplied, or requires an inspection, claims may take longer than this to process.

The final grant payment will be made once the project is complete and will be for no less than 15% of your total grant. You must ensure that you follow the payment profile set out in your Grant Funding Agreement and ensure that the minimum claim value is not less than £2,500. Ensure that you do not claim more than 85% of your grant before the final claim. If you claim more than the amount profiled per budget heading, per claim, this may result in a penalty being incurred and your grant being reduced. If you have any queries when preparing your claim, please contact your Project Manager for advice.

Annex 1 includes further guidance and tips on completing the grant claim and declaration form.

Section 4: Irregularities, Penalties and Recoveries

Please be aware you are not allowed to resubmit your claim form if you have made a mistake. It is therefore essential that you make sure your claim includes only eligible expenditure, matches your Grant Funding Agreement and is correctly calculated. Do not hesitate to contact your Project Manager in advance of submitting your claim, if you have any questions or concerns about completing the claim form correctly. If we have to remove expenditure you are requesting in your claim, you could incur a further penalty.

The claim payment will be calculated on the basis of what is found to be eligible within the claim. In the event of an irregularity in the claim, which is not deemed to be an obvious error on your part, RPA have the right to impose a penalty deduction, in addition to the removal of the ineligible amount from the claim.

If a check finds that the value of the costs included in a Beneficiaries claim exceeds the amount that is actually eligible for inclusion in the claim by more than 10%, then unless the Beneficiary can demonstrate that they are not at fault, a penalty is applied.

Payment can only be made up to the value of the grant amount found to be eligible. Therefore the claim is reduced to this amount.

If the ineligible grant amount is more than 10% of the eligible grant amount, a penalty must be applied. The value of the penalty is the same as the value of the ineligible grant amount. The total amount that can be deducted in this way is capped at the value of the grant awarded.

Example of claim penalty

Beneficiary claimed £1000 for grant, of which only £900 is found to be eligible:

a) Claim submitted for:	£1,000
b) Eligible grant expenditure found to be:	£900
c) Difference:	£100
d) Percentage difference (c)/(b) x 100:	11.11%
e) Penalty (value of (c)):	£100
f) Final grant payment made (b) – (e):	£800

The Grant Funding Agreement and all its Conditions and Agreed Terms remain in place for five years from the date of the final claim payment. Projects are rigorously audited to make sure everything has been done correctly, that your project has delivered its outputs and the appropriate RDPE publicity regulations have been adhered to. Any changes to the project, either in ownership or use, that are not agreed with the RPA in advance **may result in recovery of part or all of the funding paid.**

Section 5: Progress Reports by the Beneficiary

Progress reports are an essential part of running any RDPE project. They enable you to let your Project Manager know how your project is progressing and enable us to assess the development of your project.

You must complete a progress report with each claim form and a template is included as a tab on the electronic Grant Claim Form.

You need to collect and maintain a full record of project progress and collect evidence of the outputs, milestones and conditions achieved. This information will need to be provided with grant claims.

Timely submission of grant claims and progress reports along with other supporting documentary evidence is a condition of the grant.

Progress reports should contain all of the information which is needed to evaluate whether the project is on course to succeed and is expected to follow the projected claims profile (in terms of both timing and value). If the Accountable Body does not receive reports on time, or they are not satisfactory, we may withhold grant.

Section 6: Variations

The Accountable Body expects projects to remain faithful to the core aims and objectives as originally approved and, as far as possible, the original expenditure profile as outlined in your Application and Grant Funding Agreement. If you require any changes to your project you should notify your Project Manager as soon as possible and ensure confirmation is received, from the Accountable Body, in writing, in the form of a Variation Acknowledgment Letter. The Variation Acknowledgment Letter must be signed by the Beneficiary and the Accountable Body

You must not make any alterations to your project without receiving prior approval in writing from the Accountable Body. If you alter your project in any way to that originally outlined in your Application and detailed in your Grant Funding Agreement, without prior permission, RPA may not pay your grant claim and the Accountable Body may be required to withdraw the grant offer and make arrangements to reclaim previously paid grant claims.

Section 7: Force Majeure

Force majeure is generally considered to mean unusual or unforeseeable circumstances outside the control of the Beneficiary, the consequences of which, in spite of the exercise of all due care, could not have been avoided by reasonable action and will materially affect your project delivery.

To apply to be considered under the *force majeure* provisions, you must notify your Project Manager in writing of the circumstances of your case, together with any documentary evidence to support your request. Notification must be received **within 15 working days** of the force majeure occurrence and you should state clearly in your letter that you are applying under the *force majeure* provisions.

Section 8: Retention of Records and Project Inspections

All records relating to a project must be retained by the Beneficiary for reference by RPA, EU and UK auditors for a minimum of **five years** from the date of the final payment of grant.

These records should include all the papers connected with payments (including original invoices, receipts and bank statements) relating to grant funding and information related to project outputs. Records will need to be kept in an accessible place so that they can be referred to, or inspected by officials, as necessary throughout the **five year** period.

During the life of your project, the Accountable Body Defra, the Rural Payments Agency (RPA), or an organisation appointed by Defra or the RPA, may undertake an inspection. The inspector will need to:

- Track expenditure through your records and bank statements to show that grant has been spent on the items of eligible expenditure for which it was intended.;
- Inspect all RDPE grant funded buildings and equipment;
- Interview the person who has managed the project; and
- Inspect staff records.

You will need to provide evidence to confirm that your project is delivering the agreed outputs and outcomes as described in the Grant Funding Agreement. This could include numbers of jobs created, savings in utility bills and additional profit generated etc.

Section 9: Publicity Requirements

The European Agricultural Fund for Rural Development (EAFRD) contributes funds to the Rural Development Programme for England (RDPE). As the Beneficiary of an approved LEADER project, depending on how much funding you have received you may be required to display the European Union (EU) logo and publicise information about the project.

Billboards

LEADER Projects must put up billboards if the grant funding from the Rural Development Programme for England and public funding exceeds €500,000.

A temporary billboard must be erected at the start of the works. Within three months after the project is finished, the billboard should be replaced by a permanent billboard.

Billboards should be in a place which can be seen by the public. They must include a space for the European Agricultural Fund for Rural Development logo and the LEADER logo. Billboards should be 590mm wide and 420mm high (standard 4 x A4 sheet size) and must include the following information:

- the name of the project.
- the source of the funding: 'European Agricultural Fund for Rural Development.'
- a short description of the activity supported by the project.
- the EAFRD Logo
- LEADER logo
- Local Action Group (LAG) logo (if applicable)

This information should take up at least 25% of the total size of the billboard.

Posters and Plaques

LEADER Projects which receive more than €50,000 of Rural Development Programme for England funding should put up a poster (minimum size A3) or permanent plaque.

All posters and plaques must be produced and funded by the beneficiary. They should be put up at the start of the agreement and in a place where it can be seen by the general public.

A poster must be at least size A3. For a plaque a minimum size of A4 (portrait or landscape).

Posters and plaques must include the following information:

- the name of the project
- the source of the funding : 'European Agricultural Fund for Rural Development'.
- A description of the activity supported by the project.
- the EAFRD Logo
- LEADER logo
- Local Action Group (LAG) logo (if applicable)

This information should take up at least 25% of the total plaque size. For a poster there is no minimum requirement for the amount of space the information should cover.

Example poster and plaque templates are included in Annex 2 of this booklet.

Projects can develop their own designs as long as they meet the above requirements and the specific logo size conditions included in Annex 2.

Electronic Materials (including websites)

If the beneficiary has a website for professional use it must give a short description of the agreement which links the website and the financial support, highlighting the financial support from the EU. The website needs to contain:

- the name of the project
- the source of the funding : 'European Agricultural Fund for Rural Development'
- A description of the activity supported by the project.
- the EAFRD Logo
- LEADER logo
- Local Action Group (LAG) logo (if applicable)

Position and Installing of Posters, Plaques and Billboards

Billboards should not be intrusive in the surrounding landscape, but are required to be clearly visible to the public. Installing a billboard in open landscapes should be avoided. Instead billboards, plaques and posters could be installed near or at the entrance of farm buildings or similar structures or near boundary features.

The requirement to display a poster, plaque or billboard does not over-ride the requirement of any local planning restrictions or legislation.

What products need to have the EAFRD and LEADER Logos on them under EU regulations.

Type of Publicity Material	Level of Funding	Type of Expenditure
Electronic Materials (including websites)	Any Level	All Funding
Poster (minimum size A3) or Plaques	€50,000+	All Funding

Billboards	€500,000+	All Funding
Print and Publications	Any Level	All Funding
Media and PR Activity	Any Level	All Funding
Events, Conferences, Seminars and Workshops	Any Level	All Funding
Informing Beneficiaries/Participants	Any Level	All Funding
Description of Activity on Website (List of Operations)	Any Level	All Funding

The logo should be placed in a prominent and suitable position on all materials.

Section 10: What to do if the project experiences difficulties or changes significantly

It is vitally important to stay in close contact with your Project Manager and to keep them fully informed of progress and any issues that you might be experiencing. It is also vitally important to alert the Accountable Body as soon as you are aware of any issues that could affect your ability to fulfil the terms of your Grant Funding Agreement.

In certain circumstances it might be possible for the Accountable Body to agree a variation to your project to enable you to make changes to expenditure and/or the claim profile. However, this request must be made in writing by email or letter and be approved by the Accountable Body in advance of any changes to the project or commitment of expenditure – if you notify the Accountable Body after the event it is likely that grant claims will be rejected.

You are also **legally** obliged to notify the Accountable Body **in advance** of:

- any changes in the ownership of the business that applied for grant aid;
- any changes in the ownership of the grant aided items;
- or if the business or grant aided enterprise/activity ceases trading or fundamentally changes the nature of its activities; and
- if any grant aided assets are sold, become redundant, or cease to be used for the purpose for which they were grant aided. If this occurs the grant will be reclaimed pro-rata, effective for **five years** from the date of your final grant payment.

If you wish to use a different supplier from your preferred supplier identified in your application:

- you will need to obtain prior approval from your Project Manager in writing; and
- submit a quote from the new supplier for the same specification of item or works.

When submitting your Grant Claim Form, complete the **Supplier Details** section on the Progress Report tab.

Annex 1 - Do's and Don'ts for completing your Grant Claim and Declaration Form

- If in doubt contact your Project Manager or the Accountable Body LEADER team (as named in the Grant Funding Agreement).
- The Claim Declaration must be signed by the person(s) who signed the Grant Funding Agreement or the named individual nominated to have sole delegated authority to sign claims and future variations in the Grant Funding Agreement.
- Always complete the box on the Grant Claim Form which states how much you wish to claim.
- You must submit **invoices** that fully describe the work done or the items purchased with bank statements showing the payment of each invoice.
- **Payments** must be referenced to the appropriate cheque number if applicable.
- **Outputs and Project Specific Conditions** – Complete the outputs tab on the Grant Claim Form recording what your project has actually achieved.
- **Do not** use correcting fluid (e.g. Tippex) on your Grant Claim Form.

Completing the Grant Claim form

- Organise evidence of expenditure logically, clearly number invoices in sequence and record the invoice number on the claim form to allow cross-reference.
- Where an invoice contains a number of items, of which only a few are eligible for funding, please highlight those items included in the claim.
- You can only claim grant aid on eligible items identified in the Grant Funding Agreement.
- Grant can only be claimed for items or works that have been fully completed (e.g. in situ and operational)
- Grant can only be claimed for items or works that have been paid for in full and shown as paid on the bank statement. We cannot reimburse deposits or hire purchase payments until the item has been paid for in full, in your ownership and delivered.

General Points

- You must keep to the agreed claim submission date or risk losing grant aid. Notify your Project Manager immediately if you suspect slippage in your claim date. In very exceptional circumstances the Accountable Body may agree to vary the timing of your claim but there is no guarantee of this and a request must be made in writing.
- Original invoices (if supplied) will be returned to you once your claim has been approved for payment.
- You are advised to send claims by recorded delivery.
- **Do not** make cash payments for items on which you wish to claim grant.

By keeping an eye on the detail, and following the advice given to you in this guide, you will help us to deal with your claim promptly. Being able to deal

with a claim promptly means you receive your funding sooner than later – the best incentive of all.

Annex 2 – Publicity Requirements and Poster / Plaque Templates

Which logos to use

Beneficiaries are required to display this EU logo:



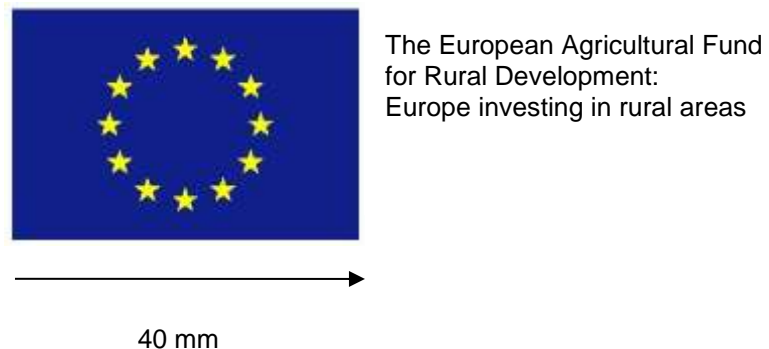
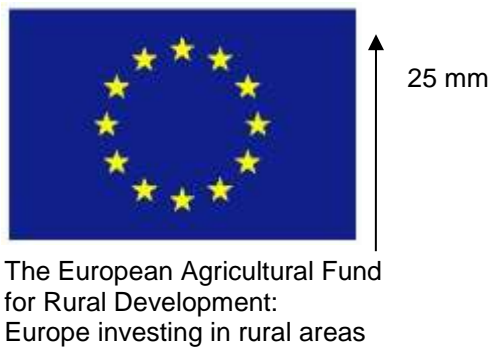
Alongside the EU logo – either to the right or below it - they should add a 'fund logo' which explains what funding you received. Here's an example;

The European Agricultural Fund
for Rural Development:
Europe investing in rural areas

The logo should be placed in a prominent and suitable position on all materials.

As a minimum, the logo and the wording should be:

- 25mm height (portrait Logo)
- 40mm width (landscape Logo)



There are separate size requirements for using the logo on plaques and billboards (see above).

Reference Sources

Downloadable versions of the European Union flag in colour and black and white are available here:

http://europa.eu/about-eu/basic-information/symbols/flag/index_en.htm

The Regulations

To publicise and promote the activities and impact of the European Agricultural Fund for Rural Development as it contributes to the rural development programmes within Europe, (the European Commission has published the responsibilities of beneficiaries in the Regulation (EU) No. 1305/2013 and Regulation (EU) No. 808/2014 (see Annex III at 2.1 and 2.2).

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0808&from=EN>

Also at Annex III of Regulation (EU) No. 2016/669 which is available here:

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0669&from=EN>

European Commission Implementing Regulation (EU) No. 808/2014

<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2014:227:FULL&from=EN>

(together the **Regulations**).

Regulation (EU) No. 1305/2013

<https://ec.europa.eu/digital-agenda/en/news/regulation-eu-no-13052013-european-parliament-and-council>

[Insert Project Name]

[Insert main aim of the project and a brief description of the activity supported]

It is part funded by the European Agricultural Fund for Rural Development



**The European Agricultural Fund for Rural
Development:
Europe investing in rural areas**

[Insert Project Name]

[Insert main aim of the project and a brief description of the activity supported]

It is part funded by the European Agricultural Fund for Rural Development



The European Agricultural Fund for Rural Development:
Europe investing in rural areas

