

GUE/NGL GROUP INTERNAL FINANCIAL RULES

ITEM 400 OF THE EUROPEAN
PARLIAMENT'S BUDGET



GUE/NGL
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EUROPEAN UNITED LEFT / NORDIC GREEN LEFT
EUROPEAN PARLIAMENTARY GROUP

GUE/NGL GROUP INTERNAL FINANCIAL RULES

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PARLIAMENT'S BUDGET

TABLE OF CONTENTS

| | |
|--|----|
| A– GUE/NGL FINANCIAL REGULATION | 7 |
| A.1 Budgetary authorities | 7 |
| A.2 Implementation of the Group's budget | 8 |
| A.3 Procedure for prior authorisation of expenditure | 8 |
| A.4 Validation/authorisation of expenditure | 9 |
| A.5 Payment | 9 |
| A.6 Advances | 10 |
| A.7 Inventory | 10 |
| A.8 Accounting | 10 |
| A.9 National delegations: miscellaneous provisions | 10 |
| A.10 Authorised carry-overs by the national delegations | 10 |
| A.11 Retention of accounting documents | 11 |
| A.12 Data protection | 11 |
| GUE/NGL IMPLEMENTATION MANUAL FOR 400 EXPENDITURE | |
| 1– GENERAL REMARKS | 15 |
| 1.1 European character of an activity | 15 |
| 1.2 Electoral character of an activity | 15 |
| 1.3 Website | 16 |
| 1.4 Organisation/Co-organisation | 17 |
| 1.5 Expenditure on events, products and services | 18 |
| 1.6 Supporting documents to justify expenditure | 19 |
| 1.7 Employment of staff | 20 |
| 1.8 Provision of services for experts or interpreters | 20 |
| 1.9 Visitors to Parliament | 20 |
| 2– INVOICES AND VAT | 25 |
| 2.1 General provisions | 25 |
| 2.2 Contractors with/without VAT | 26 |
| 2.3 Tax thresholds | 26 |
| 3– PROCUREMENT PROCEDURES | 31 |
| 3.1 Thresholds requiring a call for tenders | 31 |
| 3.2 Invitation procedure | 31 |
| 3.3 Processing tenders received | 32 |
| 4– USE OF GROUP NAME AND LOGO | 37 |
| 4.1 Composition | 37 |
| 4.2 Co-organisation | 37 |
| 4.3 Delegations | 37 |
| 5– REIMBURSEMENT OF MISSION EXPENSES FOR MEPs | 41 |
| 5.1 Travel | 41 |
| 5.2 Hotel | 41 |
| 5.3 Restaurant | 41 |
| 5.4 Exceptional expenditure | 41 |
| 5.5 Unused tickets | 41 |
| 5.6 Trip to the country of origin | 42 |
| 5.7 Triangular trip | 42 |
| 5.8 Daily allowances | 42 |

| | |
|---|----|
| 6– RULES CONCERNING SECRETARIAT MISSIONS | 45 |
| 6.1 Competent authorities | 45 |
| 6.2 Mission orders and organigram | 45 |
| 6.3 National delegation’s missions | 45 |
| 6.4 Transport costs | 46 |
| 6.5 Length of missions | 48 |
| 6.6 Daily subsistence and accommodation costs | 49 |
| 6.7 Secretariat scale for mission expenses | 49 |
| | |
| 7– REIMBURSEMENT OF GUESTS’ EXPENSES | 53 |
| 7.1 Invitation | 53 |
| 7.2 Travel | 53 |
| 7.3 Hotel | 53 |
| 7.4 Restaurant | 54 |
| 7.5 Exceptional costs | 54 |
| 7.6 Initiatives | 54 |
| | |
| 8– MODEL CONTRACTS AND FORMS | 57 |
| 8.1 Traineeships | 57 |
| 8.2 Trainee contract | 60 |
| 8.3 List of participants | 61 |
| 8.4 Claim for payment (for national delegations only) | 62 |
| 8.5 Claim for reimbursement | 63 |
| 8.6 Mission order | 65 |
| 8.7 Prior authorisation form | 66 |
| 8.8 Contract for provision of services (independent/company) | 67 |
| 8.9 Contract for services (Expert/Interpreter) | 69 |
| 8.10 Lost ticket | 70 |
| | |
| 9– USEFUL INFORMATION | 73 |
| 9.1 EP Rules on the use of appropriations from budget Item 400. Adopted by the Bureau on 30 June 2003. Amended by Bureau decisions of 22 March 2006, 11 July 2007, 20 September 2010, 23 March 2011, 26 September 2011, 2 July 2012, 11 March 2013, 24 February 2014, 14 April 2014, 27 April 2015, 10 December 2018 and 11 February 2019 | 73 |
| 9.2 Harmonised guidelines on 400 expenditure agreed by the political groups on 13/03/2018 | 73 |
| 9.3 GUE/NGL Accounts service and coordinates | 73 |

GUE/NGL
FINANCIAL REGULATION

A

A. GUE/NGL FINANCIAL REGULATION

These financial rules form an integral part of the procedural rules (internal financial rules and implementation manual) of the Confederal Group of the European United Left/Nordic Green Left (GUE/NGL) in the European Parliament, and concern the use of appropriations entered under Item 400 of the budget of the European Parliament.

The purpose of the financial rules is to establish basic rules for:

- drawing up estimates of the Group's revenues and expenditure;
- implementing the Group's budget;
- accounting arrangements; and
- annual accounts and the annual report on the financial situation, on the basis of the common financial rules⁽¹⁾ that apply to all the political groups, as well as on the basis of harmonised guidelines⁽²⁾ agreed by the political groups.

These internal financial rules are available in paper version at the Group's Accounts Service. However, the online version available on the Group's intranet is the definitive one.

A.1 BUDGETARY AUTHORITIES

The Group is responsible for the use of appropriations provided by the European Parliament.

The Bureau or the Group shall authorise the expenditure of the Group in their respective area of responsibility.

The Group, represented by its Chair, is the Authorising Officer.

The Chairperson, as the principal authorising officer, shall delegate the duties of authorising officer by delegation to the Secretary-General, to the Deputy Secretaries-General or authorising officer by sub-delegation, and the duties of ex-ante verification to a member of staff.

The Chair shall establish the mission charter of the officer responsible for initiating the operation, the staff member responsible for ex-ante verification, the responsible authorising officer and the accounting officer.

Powers in relation to the implementation of the budget of the Group may be specified in the instrument of delegation.

Authorising officers by delegation and sub-delegation are entitled to authorise expenditure, establish entitlements to be recovered and issue recovery orders and payment orders.

The Chair and the authorising officers by delegation and sub-delegation may modify, at any time, the limits or conditions imposed by the instrument of delegation.

Duties may be delegated on a temporary basis if authorising officers by delegation or by sub-delegation are temporarily unavailable.

The Group shall set up an internal control system, as prescribed in Article 2.2.3 of the rules on the use of appropriations under Item 400 issued by the Bureau of the EP, and ensure that each budgetary transaction is processed by:

- the staff member responsible for initiating the operation;
- the staff member responsible for ex-ante verification;
- the responsible authorising officer.

The tasks of initiating operations and their ex-ante verification are mutually incompatible, as are the roles of authorising officer and accounting officer. Staff members responsible for ex-ante verification may not come under the authority of staff members responsible for initiating operations.

¹ Rules on the use of appropriations from budget item 400. Adopted by the Bureau on 30 June 2003. Amended by Bureau decisions of 22 March 2006, 11 July 2007, 20 September 2010, 23 March 2011, 26 September 2011, 2 July 2012, 11 March 2013, 24 February 2014, 14 April 2014, 27 April 2015, 10 December 2018 and 11 February 2019.

² Harmonised guidelines re 400 expenditures agreed by Political Groups on 13/03/2018.

A.2 IMPLEMENTATION OF THE GROUP'S BUDGET

If no budget has been adopted by 1 January, commitments and payments may be made by applying the provisional twelfths system, provided that the expenditure was authorised in principle under the last budget adopted by the Group.

The Treasurer, with the Chair and the Secretary-General shall suggest a preliminary draft annual budget for the Group to the Bureau. The budget shall be accompanied by proposals for initiatives relating to the Group's political strategy, specifying the most appropriate amounts required to achieve those objectives.

In exceptional or unforeseen circumstances, the Treasurer may submit supplementary and/or amending budgets.

The estimates shall be presented in two parts:

(a) Revenues

The Group's revenues derive mainly from:

- annual appropriations received from the European Parliament;
- VAT refunds;
- transfers from the previous year.

(b) Expenditure

Expenditure shall mainly cover:

- the cost of the Group's secretariat and its operational and administrative costs;
- the cost of the Group's political activities;
- the cost of the Group's information policy;
- the cost of the national delegations' activities.

The budget headings shall be divided into chapters and articles in accordance with the charter of accounts common to all the political groups.

As regards the budget implementation, the Secretary-General will report to the Chair and the Bureau as required.

The authorising officer by delegation (the Secretary-General) adopts transfers of appropriations within budget chapters and articles.

Based on appropriate documentation prepared by the accounts department, the Bureau of the Group will take stock of the implementation of the budget, preferably in June/July and in September/October. The Bureau will then indicate the remaining available financial resources of the Group and of the national delegations.

Appropriations that are not used during the financial year may be carried over to the following financial year up to a maximum of 50 % of the annual appropriations received from the European Parliament's budget. Amounts exceeding 50 % shall be repaid to the Parliament's budget together with any interest that may have accrued, after the accounts have been closed and the auditor's report has been submitted to the President of the European Parliament.

A.3 PROCEDURE FOR PRIOR AUTHORISATION OF EXPENDITURE

All Group expenditure must be authorised in advance, except expenditure related to Members' political and information activities, national delegations' administrative expenditure and political and information activities – and all current operating expenditure, unless it is of an exceptional nature.

The Bureau or the Group shall authorise Group expenditure within their areas of responsibility, and the relevant decisions shall be notified in a report.

All requests must state the purpose of the expenditure and/or include the necessary supporting documents, depending on the nature of the expenditure: detailed draft budget, estimate, invitation, programme, contract, list of guests, etc.

A.4 VALIDATION/AUTHORISATION OF EXPENDITURE

Validation/authorisation documents shall be signed by the authorising officers by delegation, in accordance with the terms set out in the instrument of delegation.

Group activities

When the staff member responsible for initiation tasks receives invoices and supporting documents, as required by the nature of the expenditure, he/she shall draw up a file pursuant to Article 2.2.3 of the rules on the use of 400 budget item and forward it, for validation, to the responsible for ex-ante verifications and after to the relevant authorising officer. By appending a signature, the person concerned shall authorise the expenditure and trigger the issue of a payment order.

Decentralised activities

In the case of decentralised activities, the Member responsible for the national delegation shall forward a **Claim for payment** to the staff member responsible for initiation tasks, together with the original invoice and any supporting documents required, depending on the nature of the expenditure.

The staff member responsible for the initiation task shall draw up the file in accordance with Article 2.2.3 of the rules on the use of 400 budget item, and shall forward it for validation to the responsible for ex-ante verifications and after to the relevant responsible authorising officer, who, by appending a signature, shall authorise the expenditure and trigger the issue of a payment order.

In the case of appropriations set aside for decentralised expenditure, the national delegations may, before incurring any expenditure, consult the accounts department. In the absence of any such prior request or consultation, expenditure which does not comply with the Group's internal financial rules, and its implementation manual on the use of 400 budget item, will not be validated.

The Bureau of the Group reserves the right to refuse payment of invoices for brochures, publicity leaflets, or any other publications or initiatives which are contrary to the fundamental principles of the Group.

The ex-ante verifier shall verify compliance with the Group's current internal rules and the rules on the use of Item 400 appropriations issued by the Bureau of the EP, and the availability of appropriations.

A.5 PAYMENT

Before the issue of payment orders, it is necessary to:

- determine or verify the existence and the amount of the sum due;
- verify the availability of the appropriations;
- verify that all the supporting documents have been assembled;
- verify the conditions under which payments fall due; and
- verify that the expenditure complies with the rules on the use of 400 budget item.

The Group shall open bank accounts in its name with the Chair and the Secretary-General of the Group as account holders and the accounting officer as the administrator.

All expenditure must be paid directly from a Group bank account to the provider of goods or services, by credit transfer.

However, the Group may reimburse expenditure affected by a third party in cases where this has been dictated by practical requirements. In that event, the Group shall reimburse the expenditure to the third party on submission of a signed **claim for reimbursement**, accompanied by the original invoice and the supporting documents submitted to the Group.

The accounts officer of the Group will be responsible for the execution of all payments.

Where payments fall due at regular intervals, payment may be made by standing order or direct debit.

Payments will be executed within 30 calendar days from the date on which an invoice and relevant supporting documents have been considered admissible.

A.6 ADVANCES

Any imprest shall be entered in a suspense account. The Group may only authorise imprests of limited duration or for minor expenditure, with the exception of explicit demands from a supplier.

When a delegation from the Group is going abroad, limited cash advances may be authorised subject to a budget drawn up in advance, For example: hire of local transport, cost of meals for the delegation with guests, mobile phone rental.

Even where a delegate has carried out a transaction, the imprest administrator remains responsible for safekeeping of the funds, for keeping the accounts and for making payments (see Article 2.5.5 of the Rules on the use of 400 budget item).

A.7 INVENTORY

The Group will keep by number and value (above € 420 per article that dates back over one year) a detailed inventory of purchases financed by Item 400 appropriations.

At the end of each accounting period, the value of the inventory with appropriate depreciation, subdivided by type of activity, shall be entered in the accounts of the Group.

All sales of items from the inventory must be published and offers for the acquisition of these items must be obtained (see article 2.4.1 of the Rules on the use of 400 budget item).

A.8 ACCOUNTING

Accounts covering the period of a calendar year shall be kept in euros, using the double-entry system. They shall reflect the year's income and expenditure in full and shall be backed up by supporting documents. The revenue and expenditure account and the balance sheet shall also be presented in euros.

Supporting documents shall include original invoices and any relevant document justifying the nature of the expenditure.

Expenditure which is incurred no later than 31 December (30 June and 31 December respectively in European election years) relating to activities which have taken place during the current financial year may be entered as expenditure in the revenue and expenditure account if the actual payments are made no later than 31 January of the following year (or 31 July during an election year).

A.9 NATIONAL DELEGATIONS: MISCELLANEOUS PROVISIONS

Accident/sickness insurance for national delegations' trainees will be paid by the Group.

Bank charges incurred by national delegations will be paid by the Group.

The VAT concerning expenditure of national delegations is supported by the Group.

A.10 AUTHORISED CARRY-OVERS BY THE NATIONAL DELEGATIONS

Each year, the Bureau of the Group shall take a decision on the modalities of the carry-over of appropriations against Item 400 for national delegations and the deadlines by which authorised carry-overs and credits must be spent.

Every year national delegations must spend 50 % of credits over the course of that year as well as all the carry-over from the previous year. Unspent credits will be recovered by the Group and used for Group initiatives.

An electoral year is considered as two separate accounting periods. No carry-overs for national delegations shall be authorised in the financial year that ends on 30 June of a European election year.

A.11 RETENTION OF ACCOUNTING DOCUMENTS

The Group must keep for a period of at least five years, after the discharge granted by the European Parliament to its Secretary-General, all documents pertaining to the implementation and execution of the budget.

A.12 DATA PROTECTION

The GUE/NGL Group ensures that personal data are processed in line with Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, particularly as regards their confidentiality and security and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC.

The present rules, which cancel and replace the previous rules, shall enter into force on 01/07/2019.

GENERAL REMARKS

1

1. GENERAL REMARKS

The 400 Implementation Manual:

- is based on the official Budget Line 400 rules,⁽³⁾ adopted by the Bureau of the European Parliament and available on the Group's intranet in every language, as well as the Group's internal financial rules; and consists of specific implementation measures on individual aspects of the rules;
- includes model documents, such as, contracts, attendance lists, etc.; and
- includes forms which must be used at different stages of the spending procedure.

The essential rules governing 400 expenditure – from which these implementing measures are extrapolated – are:

- the activity must be European in nature; it must not interfere in the purely-domestic or party-political politics of a Member State;
- it must be "owned" or "co-owned" by the Group, and this must be clearly evident from the positioning of the Group name and logo;
- it may not be part of, or linked to, any electoral campaign, directly or indirectly;
- a tendering procedure must be followed above a certain expenditure level; and
- the correct supporting documents must be provided before payment or reimbursement can be made.

The Accounts Service of the Group is available to give advice on proposed initiatives so as to avoid the possibility of problems arising during the resulting settlement procedure. The purpose of this manual is to clarify, as far as possible, key elements which must be strictly respected. Any expenditure proposal where there is a doubt about compliance should first be presented to the Accounts Service.

This manual is available in English and French, as "READ ONLY" files on the GUE/NGL Group's intranet. You can easily fill in the various forms and contracts by downloading them to your PC as required. It is recommended to fill in all forms online.

1.1 EUROPEAN CHARACTER OF AN ACTIVITY

The activity must concern what the Parliament or the political group or the national delegation or their Members are thinking, doing, or intending to do, in relation to the European Union and its policies. The activity must not constitute publicity for political parties.

There must be a clear European dimension to the activity. National controversies may only be used to illustrate the European dimension to a problem. National debates or issues with no connection to European policies cannot be financed by Item 400.

The Accounts Service may require a sufficiently detailed summary translation of any document into English or French so that the "European content" of a publication can be identified. Or, it may require that a Group staff member proficient in the language examine the publication and certify that it complies with these rules.

1.2 ELECTORAL CHARACTER OF AN ACTIVITY

This information is extracted from the Rules on the use of appropriations from budget Item 400, Part 3, paragraph 2.

The electoral character of an activity or action is determined by the general context of the activity. This means that even if expressions such as "candidate", "list", "parties", "vote" are not directly mentioned, the electoral character might be found in the direct or indirect purpose and general construction of the activity.

³ Rules on the use of appropriations from budget item 400. Adopted by the Bureau on 30 June 2003. Amended by Bureau decisions of 22 March 2006, 11 July 2007, 20 September 2010, 23 March 2011, 26 September 2011, 2 July 2012, 11 March 2013, 24 February 2014, 14 April 2014, 27 April 2015, 10 December 2018 and 11 February 2019. Harmonised guidelines re 400 expenditures agreed by Political Groups on 13/03/2018.

An activity which is considered partially of an electoral nature will be rejected in its totality.

The prohibition of an activity of an electoral nature applies whatever the nature of the activity or the media used.

The following are considered to be permitted by the rules:

- distributing information of a practical nature about the elections (e.g. the date) that encourages citizens to participate;
- a report detailing the outgoing legislature's activities;
- any normal parliamentary activity undertaken under the direct responsibility of a political group, including, the publication of press releases and policy statements – any such political and information activity, undertaken by a political group one month before a European election, must not be co-sponsored, co-signed or otherwise by any European, national, regional or local political party or organisation and must not include names of members of the European Parliament other than as bibliographical information;
- political and information activities in relation to a referendum campaign on a European subject.

As a guide, even if this is not an exhaustive list, the following are considered as electoral campaigning (*when used in a future context*) and are thus forbidden under Item 400:

- any use of the word candidate;
- any mention of a list or list number;
- any recommendation/request to vote for a list, a candidate of a political leaning or the use of the word vote in this context directly or indirectly;
- any activity related to the preparation of the electoral campaign;
- any mention of the fact that a sitting member is a candidate again and is seeking vote/confidence/support; and
- the presence on any supporting material of the name/photo of the standing candidates not currently a member of the European Parliament;

- any publicity item, whatever the medium used, for production and/or use 30 days before European elections, which bears the photograph and the name of the Member concerned and which does not relay information relating to the activities of the outgoing Parliament.

NOTE: Even where none of the banned words above are used, an activity may be prohibited on the grounds that it has an electoral character simply because of the context in which it takes place.

Information will be provided to delegations on current recommendations regarding expenditure and deadlines before the European elections.

1.3 WEBSITE

The following elements fall into the category of information allowed for websites using 400 credits:⁽⁴⁾

- information about the achievements, political positions and priorities of the Group, national delegations, individual MEPs or observer MEPs and information about their political priorities for the forthcoming legislature;
- information from the Group, national delegations or MEPs about the date and the practical and technical conditions of the elections; an appeal to citizens to participate in the elections; a list of all candidates from all political parties or organisations participating in the elections;
- reports about parliamentary activities including policy statements by the Group, national delegations or MEPs;
- reports about activities of the Group and Members during the current legislature;
- press releases which provide comments or reactions by the Group, national delegations, individ-

⁴ Common guidelines for websites using 400 credits – conformity with 400 rules, as agreed by the Secretaries-General meetings of 16&29 April 2004, last modified on 16 October 2018.

- ual MEPs or observer MEPs on current events and EU issues;
 - publications of the Group;
 - links amidst other links, but not prominent in character, to the websites of individual MEPs, various political organisations and political parties represented in the past, present, or likely to be represented in the future in the European Parliament;⁽⁵⁾
 - websites with the logo of another party or organisation, such as a sponsor, need not remove the link to these websites of third parties, provided no election related content that would be qualified as forbidden by the 400 rules, is placed on these websites during 30 days before the elections; otherwise the link should be removed;
 - information about the role of the European Union, its policies and political activities;
 - priority documents and political action programmes are allowed to be on the website provided that they have no electoral character.
- information about election campaigns, advertising and material being run exclusively by European parties or member parties and any mention of a list or a list number;
 - information about election rallies or campaign events;
 - any recommendation/request to vote for a list, a candidate of a political leaning or the use of the word vote in this context, directly or indirectly;
 - any mention of the fact that a sitting MEP is standing as a candidate again and is seeking vote/confidence/support;
 - the presence in any supporting material of the name/ photo of candidates who are not currently MEPs; however, materials related to persons who are not MEPs but who have become candidates since the publication of these materials, are allowed to stay on the website provided that they have not been updated since the person became a candidate;
 - a prominent link on, or use of, a site as a vehicle to explicitly promote an electoral site.

The following elements are not in conformity with the rules:

- in the case of decentralised websites during the 30 days preceding European elections, posting of texts, comments or reactions on current events or issues, which bear the photograph and/or the name of the MEP and which do not relay information relating to the activities of the outgoing Parliament (*this does not prevent the posting of material dealing specifically with an MEP's activity in the plenary or in parliamentary committees.*)
- information about candidates for the elections and any use of the word candidate in the context of a forthcoming national, local or European election campaign;

1.4 ORGANISATION/CO-ORGANISATION

Any activity organised by the Group or by a delegation must clearly display the Group's logo or name (see section 4 on the use of the logo and of the Group's name).

Organisation (Group/Delegation alone)

This refers to activities organised and paid for by the Group/national delegation alone, without the participation, as co-organiser or sponsor, of any outside third body.

National delegations and MEPs are considered an integral part of the Group and are not classified as "third bodies".

⁵ It has been agreed that it is in conformity with the rules for a website to carry the following message: "For more precise information about the European elections, please follow the relevant links."

Co-organisation (*shared budget*)

This refers to activities co-organised with a third body, including a political party, i.e. where responsibility for organisation and budget is shared. The Group/delegation must present a detailed shared budget, in advance, to the accounts service, with an indication of the proposed division of costs between the co-organisers. Each co-organiser should contribute 10 % or more of this budget.

Sponsorship (*no financial contribution*)

Where it is felt that added value can be brought to a Group activity by association with another organisation, the name and/or logo of the sponsoring organisation can be associated with the material or activity. The Group/delegation must retain full responsibility for organisation and "ownership" of the activity.

Contracting

A delegation can engage a third body (contractor) to organise an activity on its behalf on the basis of a written contract, to this effect see the sections concerning invoicing and VAT, as well as the Contract For Provision Of Services.

1.5 EVENTS, PRODUCTS AND SERVICES**Events**

All group initiatives must be authorised by the Bureau and a staff member is appointed to coordinate the event.

Expenditure relative to events (meetings, initiatives, information stands, exhibitions, etc.) may include the following:

- hire of rooms, provision of decoration/backdrop, hire of technical equipment;
- travel, meal and hotel expenditure for participants, local transport costs;
- fees for experts – a contract is required (see Model expert contract);
- working meals, receptions, etc. must be a part of the activity, if they are to be reimbursed;
- translation;
- interpretation;
- advertising and promotion;
- entertainment;

- production of paper, audio-visual or other material to be distributed at the meeting or as a product of the meeting;
- information stands; and
- organisational assistance, including mission expenses of Group staff. **(MEPs' assistants' costs can not be included since these are covered by the MEP allowances).**

Normally the costs relating to an art exhibition, its preparation, its realisation and its follow-up cannot be financed by budget 400. It can only be accepted where the content is unequivocally related to the policies/activities of the EU or the Group, the exhibition takes place in the European Parliament, and the fact that it is presented by the Group is clearly demonstrated (e.g. logo, programme, photos, etc.).

Products and services

Expenditure related to products and services – publications, brochures, website, PR advice, research studies, etc. – may include the following:

- preparation and production of written or audiovisual material (including website, etc.);
 - preparation, production and operation of information stands;
 - preparation, production and distribution of special occasion cards (May day, etc.) and advertisements provided that such items also carry information on the GUE/NGL Group and its internet address;
 - an advertisement or supplement in a newspaper or magazine (including, in a party newspaper) – subject to demonstration of market price through a formal quote/pricelist from the supplier, small or large poster, radio/TV transmission;
 - information panels, opinion polls, focus groups, etc. (opinion poll and similar projects must involve a contract, a detailed budget and invoice, setting out the region, numbers surveyed, methodology, duration and numbers of staff/hours engaged.); and
 - preparation, production and distribution of gadgets such as pens, with logo/name of the Group.
- Gadgets are considered as low value items (unit price < €10) which increase the visibility of the Group. Items costing more than €10 per unit require a prior approval.

Books, purchase of books destined for sale authored by an MEP

The use of appropriations from budgetary line 400 for the purchase of a for-sale book written by a Member of the European Parliament is considered to be in conformity with the financial regulation if the following conditions⁽⁶⁾ are met:

- the subject fully conforms to Art. 1.1.1 of the regulations;
- the author does not receive any compensation for this purchase in terms of copyrights (The copyright compensation must be deducted from the invoice);
- the Group must benefit from the most advantageous price negotiated with the author and the publisher;
- the publisher must produce a declaration giving the number of copies of the edition; and
- the number of copies purchased cannot exceed one third of the edition and must be justified by the number of persons attending the activity for which the book has been purchased.

The following points should be noted.

- The purchase of a book cannot be considered an activity in itself. It is a means and not an end; such a purchase must be part of an activity, seminar, conference, etc. and compliance with the rules must be seen in this global context. It must be necessary documentation for a political or information event.
- The purchase of a book for distribution unconnected with any concrete information or political activity cannot be considered to be in conformity with the rules.

1.6 SUPPORTING DOCUMENTS TO JUSTIFY EXPENDITURE

Section 3 includes information concerning invoicing and VAT.

Supporting documents are required to demonstrate that an activity has taken place – where at least one MEP is involved – or that a product/service was delivered and could include the following:

A detailed programme on GUE/NGL headed paper, containing:

- names of organisers, or co-organisers and/or sponsors;
- dates and timetable;
- location and address of venue;
- theme of the meeting and topics of debates;
- names of experts and contributors; and
- list of guests to be reimbursed, with name and organisation.

For guests, a copy of the invitation letter or email should be provided.

Newspapers/advertisements: a complete original copy of each example is needed, including a complete page with date in the case of an advertisement in a newspaper or magazine, and the complete newspaper in the case of an insert; in case of a PDF, the whole publication should be sent.

Internet publication: a screen shot showing the product and date of publication.

For items produced in large quantities such as brochures and gadgets a **delivery note** indicating the number of items produced should be provided.

Large or non-transportable items: a photograph of the item.

If the cost of **backdrop/decoration/stand** is claimed, photos must be provided that clearly show the Group's stand with the name/logo visible:

- i) The invoice and/or quote should specify the dimensions of the proposed stand to rent or erect and/or decorate, and a breakdown of the work and costs involved;
- ii) We need to receive photos of the FULL stall/stand, that was used, and this must match the dimensions in the invoice;

⁶ Harmonised guidelines re 400 expenditures agreed by Political Groups on 13/03/2018.

- iii) The stall/stand must **clearly and prominently** show the Group's logo in such a way that there is no doubt that the Group is the owner/organiser of the activity;
- iv) If a third party(ies) is a sponsor of the stand its logo may be shown but it must be clearly less prominent than the Group's logo.

Note that this does not mean that a party or external organisation can share the use of the stand to disseminate their own information or hold an activity – its only role is as a sponsor of the activity, the aim of which is to help deliver the Group's message. If a third party wishes to have a more active or individual role it must share the cost and its portion and the activity must be visibly separate.

1.7 EMPLOYMENT OF STAFF

Employee

An employee must work from a European Parliament office in Brussels.

Service contract (see *Model contract*)

Any contract for services must include the following:

- name, address, etc. and legal status;
- duration of the contract;
- detailed description of the services to be provided;
- price (indicating the amount of VAT if applicable);
- VAT number or legal basis of exemption;
- the obligation of the provider to comply with applicable national legislation; and
- a declaration to the effect that neither the European Parliament nor the GUE/NGL can be considered as having a contractual relationship with the provider.

An invoice or note of fees must be presented for payment together with proof of the work carried out. Each invoice must include a reference containing the title and the date the contract was signed.

Trainee

See Section 8 for the rules and documentation on taking on a trainee in the Group or with a delegation.

1.8 PROVISION OF SERVICES FOR EXPERTS OR INTERPRETERS

If an expert's fees are to be reimbursed, there must be a signed contract (see *Contract for services expert/interpreter*) between the organiser and the expert specifying the task to be carried out, the expert's name, address, qualification/function (experts employed by a political party will be subject to especially close scrutiny). Each invoice must include a reference containing the title and date the contract was signed.

Expenses (travel, accommodation, etc.) should, where possible, be paid directly by the Group on the basis of invoices made out in the name of the Group and mention the name of the user. Hotel includes single room and breakfast – permitted extras will be very exceptional. Original air/boat/train travel tickets must be provided. Own car journeys will be reimbursed at € 0.32 per km travelled on presentation of a declaration of the return distance travelled from the place of residence to the place of the meeting. Reimbursements cannot exceed the price of a train/plane ticket.

Travel, accommodation, taxi and other legitimate expenses paid directly by the participants, can be reclaimed on completion of the Group's *Claim for reimbursement form* and on provision of original invoices and/or receipts.

1.9 VISITORS TO PARLIAMENT

The Group/Delegation may only cover the costs of a visitors group if it is NOT financed by the Parliament's Visitors Programme. When submitting a claim, the MEP responsible for finance of the national delegation must sign a declaration of honour to this effect.

A list of names, a copy of the programme/schedule, originals of all travel, hotel, and restaurant receipts, etc. must be provided.

Trips outside the towns where the EU institutions are located are not considered a reimbursable political activity.

Following the EP Bureau decision of 3 July 2006 on the EP Visitors Programme, 400 credits cannot be used to reimburse the difference in costs ("topping up") of a visitors group.

However, where the Group/Delegation organises a specific initiative on the day before or the day after the official visit, the costs directly related to participation in this initiative may be reimbursed. Such costs can include hotel, restaurant or local transport costs.

INVOICES AND VAT

2

2. INVOICES AND VAT

2.1 GENERAL PROVISIONS

Address for invoicing

Invoices must be made out in the name of the Group, as follows:

The European Parliament
GUE/NGL GROUP [Deleg XXX]
Accounts service – PHS 5C 29
Rue Wiertz 43
B-1047 Brussels

The Group will make the payment directly to the supplier.

For all new service providers, the group should obtain documents to confirm the beneficiary's identity (e.g. bank identification) and documents confirming the payee's legal entity (e.g. companies house registration).

Contents of the invoice

The (original) invoice must indicate:

- the date and number of the invoice;
- the supplier's name and address;
- the supplier's VAT No; (see below)
- the name of the supplier's bank and complete address (for suppliers outside the EU only);
- the exact name of the holder of the bank account;
- the IBAN (International Bank Account Number), and BIC (Bank Identification Code) or SWIFT code. For countries which do not have an IBAN or BIC system, a bank account number and a bank code must be supplied;
- the date and title of the contract, if a contract for this service/product has been signed.

Invoices can be provided in electronic (.pdf) format directly from the supplier's e-mail address.

Goods

An invoice for goods must also indicate:

- the nature of the goods;
- the quantity of the goods;
- the unit price and the total price;

- an invoice for material (a brochure, book, poster, leaflet, etc.) must be accompanied by an original of the product.

Services

An invoice for a service must describe the services rendered in a detailed manner, and should be sent with supporting documents (for instance, study) and mention the date of service provision.

Invoices for travel (e.g. invoices from travel agencies) must include the name of the passenger, the travel itinerary, and a direct reference to the ticket (e.g. e-ticket number or booking reference).

Invoices from travel agencies should clearly indicate their commissions/fees.

VAT Exemption

The GUE/NGL Group is exempt from VAT in respect of purchases of goods and services that are for the official use of the European institutions, for supplies of an amount above the Tax threshold.

The VAT status of an invoice will depend on the registration status of the individual suppliers.

- Suppliers with an intracommunity VAT registration number (registration status can be verified on the European Commission website http://ec.europa.eu/taxation_customs/vies/) must issue invoices without VAT which include the relevant VAT exoneration sentence (see below).
- Suppliers exempted from registering/charging VAT by virtue of a national exemption, must mention the article from the national tax code which justifies this exemption.

Where a company/individual does not have a VAT N° a contract is obligatory (see **Contract for provision of services** or for **Experts/Interpreters**). All contracts with a company/individual must include the clause which indicates the location of their tax liability.

2.2 CONTRACTORS WITH/WITHOUT VAT NUMBER

A delegation can engage a third body (contractor) to organise an activity on its behalf on the basis of a written contract.

Contractor with a VAT number

- the principal contractor's invoice must indicate the amount, **without VAT**, of each "re-invoice" from subcontractors. These "re-invoices" must be made out to the principal contractor only, and they must indicate the amount of VAT charged to the principal contractor;
- the total amount charged to the Group shall be:
 - the contractor's charges **including** VAT, or **excluding** VAT, depending on the country or exemption threshold; and
 - the subcontractors charges **excluding** VAT;
- copies of all subcontractor's invoices must be attached to the contractor's invoice.

Contractor without a VAT number

Ideally, an organisation (foundation, association, etc.) without a VAT number, which intends to work with a delegation of the Group, should try to acquire one. However, where this is not possible, an organisation without a VAT number must:

- include, on the invoice, the statement: "VAT amount is 0.00";
- indicate the amount of each "re-invoice" from subcontractors (these "re-invoices" must be made out to the principal contractor only, and must include VAT).

The total amount charged to the Group shall be:

- the principal contractor's charges excluding VAT;
- the subcontractors' charges including VAT;
- Copies of all subcontractors' invoices must be attached to the contractor's invoice.

2.3 TAX THRESHOLDS

For purchases of goods and services ordered by the GUE/NGL Group in the EP based in Brussels, the Belgian threshold (€ 124 excluding VAT) applies, irrespective of the Member State in which the goods or services were purchased; i.e. the invoice total, excluding VAT, must be equal to or higher than € 124.

VAT direct exemption

The supplier has to fill the invoice without VAT and the Group has to sign a certificate of VAT Exemption (Art. 151).

The invoice must include the relevant declaration (see table next page).

A Tax Exemption Declaration will be sent to the supplier by the Group, or by the delegation staff responsible, signed by the Verifying Agent.

Copies of VAT Exemption forms can be obtained from the Group's Accounts Service.

→ See also an example of a filled in 151 form.

→ See here for links to 151 forms.

The invoice must indicate:

- the amount without VAT;
- the VAT amount; and
- the total amount.

| | |
|-------------|---|
| Belgium | Exonération de la TVA – article 42 par. 3.3 du code TVA. (Circulaire n° 2/1978) |
| Croatia | Oslobođenje od plaćanja PDV-a / Europska unija / Direktiva 2006/112/EZ – Članak 151. |
| Bulgaria | „Освобождение от начисляване на ДДС / Европейски съюз / Член 151 от Директива 2006/112/ЕО на Съвета“ |
| Czech Rep. | „Osvobození od DPH / Evropská unie / Článek 151 směrnice Rady 2006/112/ES“ |
| Denmark | "Momfritagelse / Den Europæiske Union / artikel 151 i Rådets direktiv 2006/112/EF" |
| Germany | "Befreiung von der MwSt / Europäische Union / Artikel 151 der Richtlinie 2006/112/EG des Rates" |
| Estonia | „Käibemaksuvabastus / Euroopa Liit / nõukogu direktiivi 2006/112/EÜ artikkel 151“ |
| Greece | «Απαλλαγή από τον ΦΠΑ/ Ευρωπαϊκή Ένωση /Άρθρο151 της οδηγίας 2006/112/EK του Συμβουλίου». |
| France | "Exonération de la TVA / Union européenne / Article 151 de la directive 2006/112/CE du Conseil" |
| Ireland | "VAT Exemption / European Union/ Article 151 of Council Directive 2006/112/EC" |
| Spain | «Exención del IVA/ Unión Europea / Artículo 151 de la Directiva 2006/112/CE del Consejo» |
| Italy | "Esenzione IVA / Unione europea / Articolo 151 della direttiva 2006/112/CE del Consiglio" |
| Cyprus | «Απαλλαγή από τον ΦΠΑ/ Ευρωπαϊκή Ένωση /Άρθρο151 της οδηγίας 2006/112/EK του Συμβουλίου». |
| Latvia | "Atbrīvojums no PVN / Europos Sąjunga / Padomes Direktīvas 2006/112/EK 151. pants" |
| Lithuania | „Atleidimas nuo PVM / Eiropas Sąjunga / Tarybos direktyvos 2006/112/EB 151 straipsnis“ |
| Luxembourg | "Exonération de la TVA / Union européenne / Article 151 de la directive 2006/112/CE du Conseil" |
| Hungary | „Hozzáadottértékadó-mentesség / Európai Unió / A 2006/112/EK tanácsi irányelv 151. cikke“ |
| Malta | "Eżenzjoni mill-VAT / Unjoni Ewropea / Artikolu 151 tad-Direttiva tal-Kunsill 2006/112/KE" |
| Netherlands | "Vrijgesteld van Omzetbelasting / Europese Unie / Art. 151 van Richtlijn 2006/112/EG van de Raad" |
| Austria | "Befreiung von der MwSt / Europäische Union / Artikel 151 der Richtlinie 2006/112/EG des Rates" |
| Poland | "Zwolnienie z podatku VAT / Unia Europejska / art. 151 dyrektywy Rady 2006/112/WE" |
| Portugal | «Exoneração do IVA / União Europeia / artigo 151.º da Directiva 2006/112/CE do Conselho» |
| Romania | „Scutire de la plata TVA / Uniunea Europeană / articolul 151 din Directiva 2006/112/CE a Consiliului“ |
| Slovenia | „Oprostitev plačila DDV / Evropska unija / Člen 151 Direktive Sveta 2006/112/ES“ |
| Slovakia | „Oslobodenie od DPH / Európska únia / Článok 151 smernice Rady 2006/112/ES“ |
| Finland | "Arvonlisäverovapaa / Euroopan unioni / Neuvoston direktiivin 2006/112/EY 151 artikla" |
| Sweden | "Befrielse från mervärdesskatt / Europeiska unionen / Artikel 151 i rådets direktiv 2006/112/EC" |
| UK | "VAT Exemption / European Union/ Article 151 of Council Directive 2006/112/EC" |

PROCUREMENT PROCEDURES

3

3. PROCUREMENT PROCEDURES

3.1 THRESHOLDS REQUIRING A CALL FOR TENDERS

- Where during a legislative term and per a specific market, the cost of services from a single supplier exceeds € 15 000 (excluding VAT), a call for tenders with a least 3 candidates must be sought. For services exceeding € 60 000 (excluding VAT), a call for tenders with a least 5 candidates must be sought and at least 3 valid tenders obtained.
- The procurement limits apply depending on the level where the purchase decision is taken (Group, delegation, MEP).
- Contracts may be concluded for a maximum of five years, including any renewable periods. In such cases, the threshold will take effect having regard to the full duration of the contract and all potential expenditure provided for in the contract. Contracts should not be concluded for a period exceeding a legislative term.
- Where a contractor engages and pays subcontractors, the threshold applies to the contractor's global invoice.
- In the case of decentralised expenditure, the foregoing procedures shall apply to each national delegation independently.

Exceptions:

- Negotiation on the basis of a single tender is permitted in the case of instances/services referred to in Annex I, Point 11 of the Financial Regulation.
- When the object of an activity is a message in the media, it is authorised to choose the most appropriate medium to reach that audience. However, the Group cannot pay more than the going commercial rates for the chosen medium.

3.2 INVITATION PROCEDURE

A functional mailbox (Guetenders@ep.europa.eu) has been created for all communications relating to tenders and should be used for contacting suppliers (for both centralised and decentralised procedures).

Contact with potential suppliers can be made directly by email, or by public advertisement, leaving potential suppliers a reasonable deadline for reply.

Calls for tender⁽⁷⁾ should be sufficiently detailed so that all suppliers can compete fairly and to allow for an objective and transparent comparative assessment to be made of all offers received.

Calls for tender should detail the assessment criteria that will be used. These can be whatever is appropriate given the particular circumstances and might include: price; previous experience proved by responsible staff's CVs; examples of previous work; language capacities; proximity to delivery point, etc.

A procedure for obtaining offers which is most appropriate to the circumstances may be chosen, and could be one of the following:

- A simple one-off product or service where quantity and specifications are known. Invite 3/5 suppliers to quote for a specific product or service. Formalise agreement by *Bon de Commande* (Order Form), or letter/email accepting the offer. The invitation and the offer should be part of the letter of acceptance.
- A repeated or ongoing product or service where quantity and specifications are known. Follow same procedure as in i) but specify a duration of up to a maximum of 5 years and, if possible, indicate a non-guaranteed volume of demand over the duration of the contract. The price should be fixed for a set period and may include provisions for an annual increase in line with the index price or with specific commodities.
- A series of purchases in the same sector where the specifications and/or quantities cannot be precisely stipulated in advance. Invite 3/5 suppliers to quote a fixed price for a selection of products/services in the target area for a maximum of 5 years, e.g. printing (a leaflet, a brochure, a booklet, etc. of varying specifications)

⁷ Harmonised guidelines on 400 expenditure agreed by the political groups on 13/03/2018.

or supplying a range of gadgets (biro, badge holder, etc.).

Select one supplier and justify the selection. Individual purchases should be confirmed by *Bon de Commande*, or letter/email detailing the conditions and price.

Items similar to those included in the supplier's offer may be purchased from the successful tenderer.

- iv) A continuing or repeated service where the price depends on the extent or complexity of the task (e.g. publication design, research paper, leaflet drafting, press/PR, event organisation.) Invite 3/5 suppliers to quote a rate per hour for the required service and an indicative number of hours for a particular job. Select one supplier and justify the selection. Agreement should be formalised in a contract and the time/price per task justified in the consequent periodic invoice.

3.3 PROCESSING TENDERS RECEIVED

- i) Originals of all offers received must be retained. Where offers are received by email, the full email must be printed off – it is **not sufficient** to print off an attachment only. If proposals are hand delivered, a copy of the acknowledgment of receipt must be kept.
- ii) The person responsible in the Group/Delegation must set out in writing the details of the offers received and the reason(s) why the successful tenderer was chosen. The evaluation report should take into consideration all selection criteria set out in the tender specification. A copy should be provided along with all tender documents (invitation, offers received, evaluation, notification, contract) to the accounting team.
- iii) Having selected the successful tenderer, the person responsible in the Group/Delegation and the Service Provider should sign a contract incorporating, and annexing, the terms of the Call for Tender and the Tender Offer. (Keep an original copy).

Alternatively, for a non-complex product, a simple letter from the person responsible in the Group/Delegation, on official paper, incorporating and annexing the terms of the Call for Tender and the Tender Offer may suffice. (Keep a photocopy).

- iv) Documents required:
- a copy of the Call for Tenders to each recipient;
 - the original reply from each recipient;
 - an original of the contract, or copy of the letter of acceptance of the tenderer's offer;
 - evaluation and justification of selected tenderer;
 - notification to winning party and signed contract;
 - communication to unsuccessful tenderers simultaneously and individually;
 - completed Claim for Payment form; and
 - a completed VAT Exemption form where applicable;
 - documents on key elements of the purchase decision, including level on which it has been taken (Group, delegation, MEP).

Steps to follow in a call for Tenders (for guidance purposes only)

1. Estimate the value of the market, over the whole period of the legislative term. This will determine which procedure you must follow:
 - i) One offer: < € 15 000; or, ii) 3 requests and 1 offer: € 15 000-60 000; or, iii) at least 5 requests and 3 offers minimum: > € 60 000. (By always seeking 5 offers, you avoid this problem).
2. The tender may be one-off, or for a fixed period. If it is for a fixed period, it cannot be for more than 5 years. It might, for example, be for 1 year, renewable (but without guarantee) on 4 further occasions for one year: the estimated value is calculated over 5 years.
3. Send the offer documents to 3 or 5 suppliers by email (via guetenders mailbox). You must retain a photocopy of the signed letter or a printed copy of the full email.

4. The call for Tenders should set out the specifications in detail and should invite a quote which allows a direct and accurate comparison to be made between the offers received.

For example, a call for a Brochure could specify:

- i. the number of pages;
- ii. the size of the pages;
- iii. the type of paper/newsprint;
- iv. format of the brochure;
- v. colour: black & white, one/two/full colour;
- vi. the quantity: it can be a set number or a minimum and maximum;
- vii. the fixed or estimated number of issues per year;
- viii. the duration of the contract and whether it is renewable;
- ix. possibly, the amount (or min/max) that you might spend per year;
- x. the unit and the basis on which the tenderer should quote;
- xi. selection basis: **lowest price or most economically advantageous price**;
- xii. the closing date for receipt of tenders;
- xiii. the name and address to which tenders should be sent.

USE OF GROUP NAME AND LOGO

4

4. USE OF GROUP NAME AND LOGO

The object of the rules on the use of the Group's name and logo is to ensure that activities undertaken and paid for by the Group's 400 credits are clearly identifiable as such, as required by the EP Bureau rules.⁽⁸⁾ In addition, the Group's logo may not be used in national delegations' disagreements or conflicts in Member States.

4.1 COMPOSITION

- In principle, the Group logo comprises: the symbol; the initials GUE/NGL and the full name of the Group. "The logo" means all 3 elements in the format set down in the official logo which is available in all the Group's languages.
- However, **for the purposes of the 400 rules**, the reduced logo made up of the symbol, the GUE/NGL initials, and its internet address is acceptable.
- A black/white version of the logo may be used where, for design or size reasons, it is not practical or possible to use the colour version.
- The logo included on gadgets produced must be indelible and not removable.

4.2 CO-ORGANISATION

- Alone: All activities organised by a national delegation acting alone, must clearly carry the name or logo of the Group.
- The name, and/or prior-approved logo, of a national delegation may be used, in conjunction with the logo of the Group but in such a case the name/logo of the Group must be at least equal in size to that of the delegation.
- Co-organised: All activities co-organised by a national delegation with a third body, must carry the name or logo of the Group and must be at least equal in size and prominence to that of the co-organiser. "Equal prominence" includes the requirement that where contact details, website

address, etc. of the co-organiser are included so too must those of the Group.

- Sponsored: All activities organised by a national delegation with the support of a sponsor, must carry **the name or logo of the Group and this must be visibly more prominent than that of the sponsoring organisation**.
- Only the name/logo of the sponsor should appear in a prominent position. If contact details/web address, etc. are included they should be placed in a secondary position.

4.3 DELEGATIONS

While delegations may have their own logo for use in conjunction with that of the Group, this cannot be merely the name or logo of a political party, and it must be approved in advance. It could say, for example, "Die Linke Delegation in the GUE/NGL" and incorporate the Die Linke party logo image. See the Die Linke website (www.dielinke-europa.de) for an example.



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EUROPEAN UNITED LEFT / NORDIC GREEN LEFT
EUROPEAN PARLIAMENTARY GROUP



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⁸ The name and/or logo of the political group must be clearly mentioned in connection with any political or information activity financed by the appropriations entered under Item 400. (Article 1.5.1 of 400 Rules)

