

APPLICANTS' MOST COMMON ERRORS WHEN SUBMITTING AID APPLICATIONS AND IN PROJECT IMPLEMENTATION

1. Project preparation

- **Low-quality business plan**

A high-quality business plan is a basic prerequisite for obtaining aid. The potential applicant must have a clear concept of the project. This should be feasible while corresponding to the economic situation and the applicant's possibilities. It should also be sufficiently effective and sustainable. If the business plan is not high-quality and properly prepared, this can cause the application to be rejected. More information about the business plan is available in the publication "*How to Write a Business Plan, or Where the Path to Success Leads*" – <http://www.czechinvest.org/data/files/podnikatelsky-plan-48-cz.pdf>.

- **Deficient concept of assuring financial coverage for the project**

Within the Operational Programme Enterprise and Innovation, aid is disbursed for a project retroactively following the project's implementation and completion. For this reason, it is necessary for the applicant to have a concept of how the project will be financed and to have sufficient financial resources for the full implementation, either from the applicant's own resources or with loans and credit.

- **Selection of the incorrect aid title**

Every programme defines the requirements which both the applicant and the project must fulfil (set forth in the Call and the annexes thereof). In order for the applicant to have an idea of the programme from which its project can be supported, it is necessary to study all available materials and, as the case may be, consult the business plan at any of **CzechInvest's 13 Regional Offices** – <http://www.czechinvest.org/regionalni-kancelare> or via the Green Line at **800 800 777**. The applicant can thus resolve any misunderstandings and incorrect comprehension of the aid programme's conditions.

- **Insufficient study of the relevant documents**

The websites of the Ministry of Industry and Trade of the Czech Republic (www.mpo-oppi.cz) and CzechInvest (www.czechinvest.org) are the most important source of information on aid programmes, documents pertaining to OPEI programmes and new aspects in OPEI. The relevant documents, whose content should be known by the potential applicant, are the **Call of the programme** (basic information about the aid programme), **Instructions for Aid Applicants and Recipients** (instructions of how to submit an aid application), **Instructions for**

using the **eAccount application** (the system via which applications are submitted electronically), **Terms and Conditions of providing aid** and other **common appendices of OPEI programmes** – <http://www.czechinvest.org/spolecne-prilohy-dotacnich-programu-oppi>.

2. Errors when establishing a Master Account

- **Late establishment of a Master Account**

The applicant establishes a Master Account at any of CzechInvest's Regional Offices, and its activation takes five working days. In the case that receipt of Registration Applications is coming to an end and the applicant decides to establish a Master Account at the last moment, it can happen that it will not be possible to activate the account in time and the applicant will not be allowed to submit an application. Establishment of a Master Account is one of the conditions for submitting an aid application. Without this, it is not possible to log on to the eAccount internet application and submit an aid application. We recommend that applicants not leave anything until the last moment.

- **Inaccuracy of provided information**

In some cases, applicants provide an incorrect company name (it must be stated exactly according to the name entered in the Commercial Register, including punctuation).

- **Missing information**

For example, applicants do not state all registered CZ-NACE categories or all statutory representatives and their manner of acting on behalf of the company.

3. Errors when preparing the Registration Application

- **Incorrectly stated identification data of the applicant**

The applicant must fill in all necessary information exactly as it is set forth in the Commercial Register (e.g. the company name). The stated size of the enterprise often does not correspond to that listed in the Administrative Register of Economic Entities.

- **Failure to state all statutory bodies of the company and their manner of acting on behalf of the company**

The statutory bodies must be stated exactly according to those entered in the Commercial Register.

- **Incorrect estimate of the project's eligible costs and the amount of required aid**

In the Registration Application the applicant provides an estimate of eligible costs and amount of required aid. In the Full Application it is not possible to increase this value; therefore, it is appropriate to state a higher amount in the Registration Application.

- **Incorrectly completed FS form for calculation of the applicant's rating**

The Financial Statement form serves as a basis for preparing the evaluation of the applicant's financial and non-financial health, i.e. its rating, which is necessary as one of the acceptability criteria. The applicant sends the FS together with the Registration Application. It is necessary to fill out all fields in the form (it is possible to enter zero in unused fields). It is necessary to electronically sign the completed form and send it to eAccount using the "**Sign and sent**" button at the end of the form.

The most common errors in connection with financial statements and the FS form:

- The required financial statements are not submitted; it is necessary to submit both of the two balance sheets and both of the two profit and loss statements for each concluded period ("the past period" does not suffice).
- Information in the electronic FS form does not correspond to the submitted financial statements; minor discrepancies on the order of thousand-crown units resulting from rounding by accounting programs can be tolerated.
- Non-current data are provided, i.e. the period between the date of closing the "current quarter" from the FS form and the date of submitting the Registration Application is longer than six months.
- Information for the current quarter is not provided or is stated in a different column.
- Completion of the wrong type of financial-statement form (e.g., an entity keeping tax records fills out the form for entities keeping accounting records).

- If the FS form is filled out for the fourth quarter of the year, the statements (even if they are preliminary, not verified) for the relevant year are not submitted.
- Amounts are incorrectly stated in CZK instead of CZK '000.

- **Mandatory annexes to the Registration Application are missing**

Before sending the Registration Application, it is necessary to insert in the list of documents all required annexes: Balance Sheet and Profit and Loss Statement for the past two closed accounting periods + other mandatory annexes according to the individual programmes and to provide them with an electronic signature (in the case that several signatures are required according to the Commercial Register, all annexes must be signed by all responsible persons; in the case of power-of-attorney, it is necessary to deliver such power-of-attorney to CzechInvest's headquarters). A Registration Application which does not contain all of the signed annexes cannot be the subject of further evaluation.

If the applicant is a large enterprise, it shall also submit the "Incentive Effect" as an annex to the Registration Application.

- **Incorrect signatures of documents in the list of documents**

All documents must be electronically signed by all statutory representatives as set forth in the Commercial Register or this situation can be resolved with a power-of-attorney (the form is available on the CzechInvest website – <http://www.czechinvest.org/plna-moc>), which will be delivered to CzechInvest's headquarters.

- **The applicant does not correctly send the Registration Application**

The final step in filling out the Registration Application is to send it using the "**Send Registration Application**" button in the last section of the Registration Application – "**Applicant's Declaration**". After correct sending, a notice of successful sending of the Registration Application appears on the screen. At the same time, you will immediately receive the registration number of the project and confirmation of receipt and processing of the registration in the system. Information about the registration will be sent to the applicant at the e-mail address provided when establishing the Master Account and at the same time it will be available in the "**Bulletin board**" in the eAccount application.

If the applicant does not correctly send the Registration Application (even though all sections are filled out correctly) and receipt of Registration Applications for the given programme (according to the call) terminates, it is not possible to additionally submit the Registration Application!

- **Leaving submission of the application until the last moment**

On the last day when the programme is open for receipt of applications, the eAccount application is overloaded and it is possible that the applicant may not manage to send its application before the receipt period ends. After the stipulated deadline, it is no longer possible to submit the Registration Application. Therefore, we urge applicants not to leave sending of the Registration Application (and Full Application) until the last minute. Rather, they should submit their applications as early as possible.

- **The business plan is not in accordance with the call**

Applicants sometimes do not sufficiently study all terms and conditions of the announced call and they then submit their plan to a programme whose focus does not correspond to their project. In such a case, the project will be rejected. We recommend studying all available sources of information and to consult the plan at a CzechInvest Regional Office or via the CzechInvest Green Line.

- **The applicant's history is missing**

The applicant must submit the company's history for the past two years. In the case of some programmes, it is possible to submit the parent company's history. If the applicant does not fulfil the two-year history condition, its project will be rejected. The requirement of the company's history is always set forth in the Call of the given aid programme.

- **Ineligibility of the applicant**

The applicant does not fulfil the conditions of the given programme (e.g. only SMEs can apply and the applicant is a large enterprise, unsupported legal form of the applicant, etc.). The programme conditions for the applicant are always set forth in the text of the Call of the given aid programme.

- **Unsupported CZ- NACE category**

The applicant states a given CZ-NACE category (according to the Register of Economic Entities) as the subject of business. Every programme supports only certain CZ-NACE categories. These are set forth in the Call of the programme or in annexes thereof.

(In some programmes, e.g. ICT in Companies, the applicant states all CZ-NACE categories which pertain to the project for the purpose of determining whether the condition that **the project is more than 50% focused on supported CZ-NACE categories** has been fulfilled [in the case of comprehensive information systems, this will generally be all registered CZ-NACE companies].)

- **Overly general description of the project**

The "*Basic information about the project*" should contain basic information about the subject of the project. It should be clear from the description that the project is in accordance with the objectives of the programme and the given call. (For example, in the case of the Training Centres programme, from the description it should be apparent whom the centre will serve

and the type of training that will take place. In the case of other programmes, the applicant must describe the subject of production, its means of production, what it will produce and what it wants to acquire with the provided aid.) A brief description serves for preliminary evaluation of whether the project falls within or does not fall within the given programme (more detailed information serving for the evaluation of the project is provided in the business plan).

- **Date on which eligible costs may arise = approval of the Registration Application (preliminary acceptability)**

Implementation of the project may not begin prior to this date, i.e. signing of contracts, issuing of orders, payment of invoices, commencement of construction work cannot take place. Applicants often commit errors in this area. Costs arising prior to approval of the Registration Application are not eligible and thus cannot be claimed nor can aid be received for such costs.

4. Errors when submitting the Full Application

- **Incorrectly filled-out details of the applicant**

Incorrectly entered company name, not all statutory bodies are listed – the indicated size of the enterprise does not correspond to the actual size according to the Commercial Register.

- **Incorrectly stated address of the site of project implementation**

In some cases applicants provide the wrong address of the site of project implementation or a different address than that stated in the project documentation. In the case of business entities, the site of implementation must be only in the operations facility of an aid recipient which is (or, following its completion, will be) **registered at the trade-licensing office**.

- **Errors in annexes demonstrating the applicant's rights to property**

Another frequent error is committed by applicants when submitting an extract from the property register or when submitting a lease contract demonstrating their rights to property. It happens that it cannot be determined from the document whether this pertains to the site of implementation or whether the lease contract has not been concluded for a sufficient period of time (the contract must be concluded for the period of project implementation + the period of project sustainability or for an indefinite period). It is an error when the applicant does not submit any such document if it is required by the given programme.

- **Incorrect description of the project**

The description should contain specification of the subject of project, the means of production, what is to be produced and, as the case may be, the customs code of production. For example, in the case of the Innovation Programme, an innovation project is insufficiently described in terms of the technical aspect of the innovation.

- **Non-compliance with the agenda of the business plan/feasibility study**

The feasibility study (annex of the Full Application) should be sufficiently specific but not overly complicated. If the project is not specific enough, the external evaluators cannot effectively evaluate the project and it can happen that the project will not be recommended for support. Conversely, if the project is too specific, in the course of implementation the applicant will be bound by what is written in the plan and changes can be effected only in a limited extent. It often happens that not all of the fundamental aspects are set forth (**i.e. the business plan does not contain the information needed for evaluation**) – it often is not apparent from the business plan what the applicant will acquire within the project, how assets will be acquired and services will specifically be used and how they will contribute to achieving the stated objectives. **It is important to proceed according to the agenda of the Full Application!**

- **Other errors connected with the feasibility study**

- ❖ Discrepancies between the Full Application (information in eAccount) and the feasibility study – different information is provided therein.
- ❖ The feasibility study is very brief, chapters are only partially prepared.

- ❖ Assertions in the feasibility study are not supported by documentation (contracts, organisational structure, etc.)

- ❖ Binding indicators – applicants often copy only that which is stated in the agenda of the feasibility study. However, this is only an example; the applicant must determine what it is able to substantiate. In the case of non-fulfilment of binding indicators, there is a risk of complete withholding of aid!

- ❖ In the feasibility study, applicants state the exact name and producer of a machine without a completed tender, in the case of deliveries valued at more than CZK 500,000 (which according to the Regulations for Supplier Selection – <http://www.czechinvest.org/data/files/pravidla-pro-vybur-dodavatele-840-cz.pdf> are subject to a tender) the producer/brand is stated.

- ❖ Ineligible costs are included among eligible costs within the project – e.g. costs expended on preparation of the application, tenders, personal automobiles, etc.

- **Insufficient documentation pertaining to the provided information**

If the applicant provides various information, e.g. that it cooperates with universities, research institutions, etc., it is necessary to substantiate this in some way (for example, by submitting a contract). If the applicant does not thus substantiate the given information, it cannot receive points for this evaluation criterion. If the applicant provides an analysis of the market for the project, it is good to also substantiate this information, e.g. with statistics or market research. **Thus, it is of fundamental importance to substantiate all provided information as thoroughly as possible!**

- **The project's accordance with the Integrated Urban Development Plan**

Applicants often confuse the Integrated Urban Development Plan (IUDP) with the Strategic Urban Development Plan (the IUDP is a set of interlinked investment and non-investment projects focused on resolving specific problems of the city. Projects contained in the IUDP can be supported from various sources, including EU sources or Operational Programmes. The city is the submitter of the IUDP concept and implementer of its own IUDP).

- **Non-compliance with the deadline for sending the Full Application**

Upon approval of the Registration Application, the project manager notifies the applicant via the bulletin board of the deadline by which it is necessary to submit the Full Application. If the applicant does not comply with this deadline, the project will be rejected. The deadline for submitting the Full Application can be extended in the Project section – **“Project monitoring period”** in the eAccount application, though this must be done prior to expiry of the stipulated period for submitting the Full Application.

- **Mandatory annexes are missing**

The applicant is obligated to submit with the Full Application all annexes required according to the type of project (feasibility study, financial feasibility of the project and other annexes according to individual programmes). A list of required annexes is available in the Instructions for Aid Applicants and Recipients – specific section of the particular programme.

The most common errors in connection with financial feasibility of the project (FFP)

– Full Application phase

- The “Total Project Costs” cell in the heading of the FFP form is filled out with an incorrect amount. The correct amount corresponds to the total eligible and ineligible costs expended on acquisition of the investment including VAT.
- The “Expected Date of Completion of the Investment Operation” cell must contain the last year in which the applicant will receive revenues/earnings from the project (however, this period may not be shorter than the period of amortisation of the investment).
- Insufficiently completed tables. It is necessary to fill out tables in the FFP form at least up to the year corresponding the anticipated date of completion of the investment operation or completion of amortisation (depending on which period is longer) and add three years for monitoring.
- Revenues/earnings are not filled in for individual years (line one or two in the Cash Flow of the project).
- The tax rate in line 22 is not filled in at all or is incorrect. The recommended value is 0.2.
- Anticipated costs in individual years for the acquired investment are stated in line 33 of the project CF without these costs covered by financing in the section “Sources of project financing” above this line.
- The sum of values in line 33 must be equal to line 41, in which all eligible costs expended on acquiring long-term assets excluding VAT, undiminished by aid, are included.

- The received aid (line 29) expected in the year when the Registration Application was submitted is unrealistically optimistic. We recommended entering this in another year following completion of the given phase.
- Section 3 is not completed. Financial statements, financial plan (qualified estimate of the development of individual items of the financial statement for the entire company).
- Verification of assets and liabilities in line 76 must equal zero for all periods.
- Verification of the parity of economic results in line 77 must equal zero for all periods.
- Amounts are erroneously entered in CZK instead of CZK '000.

- **Non-compliance with binding indicators; incorrect setting thereof**

One of the applicant's main obligations is to comply with the binding indicators whose value is set when filling out the Full Application and which are set forth in the Terms and Conditions of Aid Provision. Non-compliance can lead to the withholding of declared aid because the applicant did not fulfil the obligation to which it committed itself. When filling out the Full Application, the applicant should be aware of which values of the binding indicators it is able to fulfil and not set such values unnecessarily too high.

- **Incorrectly entered monitoring indicators – initial values**

The applicant should proceed according to the instructions set forth in the Instructions for Aid Applicants and Recipients – specific section for individual programmes and correctly enter the initial values of the monitoring indicators. For example, in the case of the monitoring indicator "Newly created jobs", the initial value must equal **zero**, as this concerns a growth indicator.

5. Errors in project implementation

- **Not conducting analytical accounting**

Applicants have the obligation to conduct analytical accounting with the initial eligible cost of the project.

- **Non-compliance with stipulated deadlines**

Applicants do not comply with stipulated deadlines. If problems arise during project implementation, it is good to resolve them immediately by contacting the project manager via the project bulletin board and agreeing on the resolution of the situation. It is always better to pre-empt problems and resolve them immediately.

- **Non-compliance with the Terms and Conditions of Aid Provision**

A successful applicant is obligated to comply with the terms and conditions by which it is bound when signing the Terms and Conditions of Aid Provision prior to issuance of the Decision to Grant a Subsidy. Non-compliance with the Terms and Conditions of Aid Provision can have the consequence of withholding of the full aid amount.

If the applicant is not able to fulfil the Terms and Conditions of Aid Provision (in most cases this involves a change of the schedule or of the values of the binding indicators), it is possible to request an amendment of the Terms and Conditions. However, it is absolutely necessary to consult with the project manager regarding the required amendments before the change occurs). Following consultation with the Ministry of Industry and Trade, CzechInvest will inform the applicant whether the given amendment is subject to an approval procedure. If the amendment is permitted, the project can be implemented in the amended form. If, however, the amendment is rejected, it is necessary to carry out the original project. Changes announced ex-post are not approved. We recommend that applicants thoroughly read all terms and conditions to which they bind themselves with their signature.

- **Non-compliance with the Regulations for Supplier Selection**

See the separate chapter below.

- **Non-compliance with the Regulations for Mandatory Publicity**

See the separate chapter below.

- **Absence of a project manager on the applicant's side**

Checking all conditions and ensuring comprehensive administration are not an easy matter. We recommend that applicants appoint one person within the firm who will be responsible for implementation of the project. Thus it will be clear who is responsible for submitting reports, inspecting project implementation, fulfilling project objectives, etc. If a single

responsible person is not thus appointed, this can lead to a greater number of errors in documents and reports on project implementation.

- **Failure to provide information on changes in the property-rights and formal-legal positions**
The applicant is obligated to immediately inform its property manager of changes immediately (or preferably in advance) via the project bulletin board in eAccount.
- **Failure to retain long-term assets (tangible and intangible) acquired with aid in a supported region for the stipulated period**
The applicant is obligated to retain assets acquired with aid on the site of project implementation for a period of three years (in the case of SMEs) or for a period of five years (in the case of large enterprises).
- **Failure to maintain the business activity**
The applicant is obligated to maintain the business activity relating to the provided aid in the supported region for a period of three years (in the case of SMEs) or five years (in the case of large enterprises).
- **Failure to archive all documents**
The applicant is obligated to keep all documentation relating to aid for a period of at least ten years following completion of the project and to provide such documentation in the event of inspections.
- **Acquired assets are not in accordance with the business plan**
All assets acquired with aid must correspond to the business plan.

6. Errors – Regulations for Supplier Selection

- **Failure to issue a tender in the case that the applicant is required to issue one**

All orders in the value over CZK 500,000 excl. VAT are subject to a tender. If the applicant does not issue a tender, this is an error and costs connected with the order cannot be considered as eligible and it is not possible to receive aid for such costs.
- **Non-fulfilment of the conditions set forth in the Regulations for Supplier Selection document**

The Regulations for Supplier Selection – <http://www.czechinvest.org/data/files/pravidla-pro-vybur-dodavateleu-840-cz.pdf> – are binding for aid recipients (contracting entities) when submitting orders whose anticipated value exceeds CZK 500,000 excl. VAT. The aid recipient is obligated to proceed in accordance with the Regulations for Supplier Selection and fulfil all stipulated conditions.
- **Incorrectly issued tender**

In the case of orders in the anticipated value of CZK 500,000 excl. VAT to CZK 50 million incl. VAT, the contracting entity shall publish an announcement of the issuance of the order in the Commercial Bulletin (in the electronic version). The minimum period for submitting bids is stipulated as 30 days from the date following the date of publication in the Commercial Bulletin.

In the case of orders in the anticipated value greater than CZK 50 million excl. VAT to CZK 100 million incl. VAT, the contracting entity shall publish an announcement of the issuance of the order in the Commercial Bulletin and, concurrently, at the Central Address (www.centralniadresa.cz) in the Other Offers section. The minimum period for submitting bids in this case is 40 days.

In the case of orders in the amount greater than CZK 100 million excl. VAT, the contracting authority shall publish the issuance of the order in the Commercial Bulletin, Central Address and, additionally, in the Official Journal of the European Union – TED (ted.europa.eu). The minimum period for submitting bids is 60 days.

It often happens that applicants do not comply with the time period for publication or do not publish the order at the required place.
- **Non-compliance with the time period for publishing the announcement**

The time period begins on the day when the announcement is published (the applicant must be aware of when the notification will actually be published). Publication is effected collectively every Wednesday at 3:00 p.m. and closure of each issue is always one week in advance at 12:00 p.m. (noon). More information on the time period for publication of the order is provided in the point above.

- **Non-compliance with the principle of non-discrimination (Discriminatory conditions)**

The tender may not be discriminatory; the set parameters of the contract documentation may neither favour nor exclude any group of potential tender participants.

- **Non-compliance with the principle of purpose**

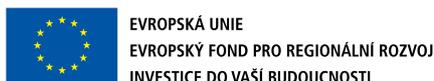
Applicants deliberately divide indivisible orders with the aim of reducing the value of the order to an amount below CZK 500,000 excl. VAT and thus avoiding the necessity of issuing a tender.

- **Implementation of changes in the tender documentation following issuance of the tender**

Implementing changes in the tender documentation after a tender has already been issued is forbidden.

- **Non-compliance with the mandatory-publicity rules in the issued tender**

A tender issued in the Commercial Bulletin must contain the European Union flag and the mandatory text:



According to the new Regulations for Supplier Selection (in force from 1 October 2010), the applicant is obligated to ensure publicity within the tender only in the case that it was issued after the issuance of the Decision to Grant a Subsidy.

- **The contract with the supplier does not contain the obligation of cooperation in financial inspections**

The contracting entity is obligated to ensure that the tenderer with which a contract has been concluded is an entity obligated to cooperate in the performance of financial inspections pursuant to Section 2 e) of Act No. 320/2001 Coll., on Financial Inspection in Public Administration. This fact must be contained in the contract with the winning supplier.

- **Failure to send an invitation for the Ministry of Industry and Trade to the evaluation of bids**

In the case of orders in a value greater than CZK 2 million, the aid recipient is obligated to send to the aid provider a verifiably written invitation, electronically via eAccount, to the meeting of the evaluation committee.

The applicant is obligated to send an invitation via eAccount only if the meeting takes place after signing of the Decision to Grant a Subsidy.

- **Failure to enter all required documents from the tender into the eAccount application**

Applicants are obligated to enter all tender documentation in the “**Tender**” section of the eAccount application pursuant to the valid version of the Regulations for Supplier Section. More information about this is available in the Instructions for Aid Applicants and Recipients – general section – <http://www.czechinvest.org/data/files/pokyny-obecne-1401-cz.pdf>.

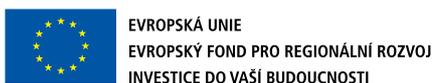
7. Errors – Publicity Regulations

- **Nonexistent or incorrectly presented publicity**

Information on mandatory publicity is available in the “Publicity Regulations” document – <http://www.czechinvest.org/data/files/pravidla-pro-publicitu-1947-cz.pdf>.

Aid recipients which implement a project with aid from EU resources must provide information that the project was implemented with financial cooperation from the EU.

Every publicity measure must contain **the EU flag and the standard text:**



8. Errors – Phase-Planning Regulations

- **Non-compliance with the Phase-Planning Regulations**

In some programmes, a project can be divided into phases. Upon completion of each phase a Payment Application can be submitted and part of the aid can thus be disbursed. However, applicants must proceed in accordance with the Phase-Planning Regulations – <http://www.czechinvest.org/data/files/pravidla-etapizace-projektu-879-cz.pdf>. A phase may not be shorter than three months and the amount of aid for a phase may not be lower than CZK 500,000 (this does not apply to the final phase). A project with duration shorter than six months cannot be divided into phases.

(If the applicant wants to transfer unused funding from one phase to another, this is possible only in the case of amounts over the threshold of CZK 500,000. The system does not permit the exceeding of the stipulated limits set forth in the Phase-Planning Regulations. Thus, if the applicant has the set amount of CZK 700,000 for a phase and uses only CZK 400,000, the applicant will be allowed to transfer unused funding only in the amount over the CZK 500,000 threshold to another phase [in this case, CZK 200,000 may be transferred, not the entire unused amount of CZK 300,000]).

9. Errors – Eligible Cost Regulations

- **Eligible investment costs comprise only investments in long-term tangible and intangible assets** (pursuant to the Act on Accounting).
- **Capitalisation is not an eligible cost.**
Aid cannot be obtained for such cost.
- **Eligible costs include only new assets that have not been amortised.**
- **Costs must be correctly assigned to the budget items**
It is necessary to consistently maintain the classification of costs in individual budget items. When assigning costs under an item different than that under which they belong, the payment can be reduced in the corresponding manner. Information on how to correctly assign costs is available in the “Eligible Costs Regulations – specific section” document for individual aid programmes.

10. Errors – Payment Application

- **More information is available in the “Most Common Errors of Applicants in OPEI Payment Applications” on the CzechInvest website – <http://www.czechinvest.org/data/files/neicastuji-chyby-zadatelu-v-zadosti-o-platbu-v-opp-2142-cz.pdf>** (only in Czech).

11. Errors – Monitoring

- **Non-compliance with the time period for submitting monitoring reports**
In the eAccount application, the aid recipient has access to a calendar which shows the type of report that must be prepared by the relevant date. The applicant is responsible for the timely submission of all reports. CzechInvest has no obligation to notify the applicant of the deadlines for submitting individual types of reports!
- **Failure to submit all mandatory reports**
Monitoring of individual projects in aid programmes is performed via the following types of reports – Continual report on implementation of the project (phase or half-yearly); Monitoring reports following completion of project implementation. In the eAccount

application, the aid recipient has access to a calendar which shows the type of report that must be prepared by the relevant date.

- **Monitoring and binding indicators**

The applicant is obligated to fulfil the binding indicators in the scope and time period to which the applicant committed itself in the Terms and Conditions of Aid Provision. In the case that the target values of the binding indicators are not achieved in the stipulated time period, there is the possibility that sanctions will be imposed on the applicant (see the Terms and Conditions of Aid Provision). The specification of binding and monitoring indicators is provided in the special section of the Instructions for Aid Applicants and Recipients for the relevant programme.

12. Errors – Compliance with methodologies

- **Binding force of annexes to the Terms and Conditions (prior to and after the Decision)**

Up to the moment of signing the Terms and Conditions of Aid Provision, the applicant is obligated to proceed according to the currently valid methodologies at the determining moment of implementation (e.g. commencement of implementation of the tender). After signing the Terms and Conditions of Aid Provision, the applicant is obligated to comply with the particular versions of the methodologies which are specified by the reference number in the Terms and Conditions of Aid Provision.

- **Failure to comply with the regulations and methodologies of the Operational Programme Enterprise and Innovation (phase-planning, publicity, supplier-selection regulations)**

In the course of implementation of the project, the applicant is obligated to proceed in accordance with OPEI regulations and methodologies (e.g. Regulations for Supplier Selection, Publicity Regulations, Phase-Planning Regulations, etc.). The methodologies are available on the CzechInvest website in the Common Annexes – <http://www.czechinvest.org/spolecne-prilohy-dotacnich-programu-oppi> and under individual aid programmes.

- **Changes in the rendering of the project in contravention of the Terms and Conditions and the Decision**

The Terms and Conditions of Aid Provision and everything contained therein are binding for the applicant. Amendments of the Terms and Conditions are possible only on the basis of amendment proceedings of the Terms and Conditions and only in certain cases. Changes in

the rendering of the projects which are in contravention of the Terms and Conditions of Aid Provision can lead to the rejection of the project.

13. Closing summary

- **Read all documents**
- **Comply with all binding indicators**
- **Comply with stipulated time periods and deadlines**
- **Resolve all changes in a timely manner and consult them with the project manager (via the project bulletin board)**
- **Everything must be electronically signed – signatures are often missing**