PROCEDURE FOR JUSTIFICATION, INVOICING AND PAYMENT UNDER THE PROGRAMME FOR THE INTERNATIONALIZATION OF SPANISH CULTURE (PICE)

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1. **Purpose and scope**

The content of this guide applies to all entities, both national and international, that are awarded financial support under the Programme for the Internationalisation of Spanish Culture, PICE.

Its purpose is to detail the procedure governing the invoicing and payment of such financial support.

Compliance with its content is mandatory, and it supplements the information contained in the Programme's regulatory framework and in the specific terms and conditions of each call for applications.

This document is binding on all PICE calls (Mobility, Visitors and Residencies), unless otherwise stated in their governing terms and conditions.

2. **Obligations of the beneficiaries**

2.1. In the event that an entity is awarded support, it may not, under any circumstances, transfer to another entity the rights associated with the granting of the support

2.2. The entity must be the holder of the bank account into which the payment is made.

2.3. Beneficiary entities domiciled in countries using a non-Latin alphabet must submit the documentation detailed in the following points translated into Spanish or English in order for it to be validated.

3. **Documentation required for payment**

3.1. Once the event has concluded, and in order to proceed with payment, beneficiaries must submit, in digital format (scanned copies) and by email, evidence of compliance with the activity and of the use of funds. This documentation must be sent to:

- PICE-Mobility: picemovilidad.documentacion@accioncultural.es
- PICE-Visitors: picevisitantes.documentacion@accioncultural.es
- PICE-Residencies: convocatoriaspice@accioncultural.es; residencias@accioncultural.es

The documentation to be submitted must consist of:

A. Activity report including:

- For PICE Mobility and PICE-Visitors:
  - Technical sheet of the event
  - Programme of the activity or visit carried out
  - List of participants and guests and number of attendees/visitors.
  - A dossier of media and social media coverage, including press, containing copies of all information about the event appearing in such media and/or other materials.
  - A brief conclusions report on the activity and its public impact.Breve informe de conclusiones sobre la actividad y su repercusión pública.

- For PICE-Residencies, the report shall detail the activities carried out during the residency period, an assessment of the work developed by the resident during their stay, and an annex with the resident's evaluation of the residency programme, the institution and the benefits obtained for their professional career following their stay (this may be sent directly to AC/E if preferred).

B. Three photographs or images of the activity and the participants in digital format and high resolution. Their copyright must also be specified so that AC/E may use them as promotional material.

C. Financial Report:

The Financial Report shall detail the expenses covered by the granted support, which must be directly related to the participation of the international visitor or of the national or international creator for whom the support is awarded. General expenses of the beneficiary entity may not be included. Expenses must be presented as a classified list indicating the date of payment, specifying the supplier, the description and the total amount of each expense.

In the case of PICE-Mobility and PICE-Residencies, in line with the co-financing commitment assumed by entities participating in the Programme, the Financial Report shall detail the general expenses corresponding to the artistic proposal or residency, as well as the specific expenses covered with AC/E's support. If the beneficiary entity is unable to justify such co-financing, AC/E will pay the proportional part corresponding to 50% or 70%, depending on whether it is Mobility or Residencies, of the total justified budget.

Upon completion of the event, the template for submitting the Financial Report will be sent to beneficiary entities. This must be submitted in Excel format for review by AC/E's Finance Department, and in PDF format signed by the legal representative of the beneficiary entity. For information purposes, the templates are attached below:

- Financial Report Template for PICE Mobility
- Financial Report Template for PICE-Visitors
- Financial Report Template for PICE- National Residencies
- Financial Report Template for PICE-International Residencies

Justified amounts shall be calculated excluding VAT if this tax is deductible for the beneficiary entity. Otherwise, they shall be calculated including VAT.

D. Copies of supporting invoices up to the total awarded amount

Copies of invoices must be sent in order, following the numbering of the Financial Report. This number must appear either in the file name or in the document itself.

In PICE-Residencies, expenses may be justified in two ways:

- Internal expenses not corresponding to services provided by third parties must be justified by means of a certificate signed by the legal representative of the entity, attesting to the accuracy of the information provided. AC/E reserves the right to reject any expenses included in the certificate that it considers must be justified by copies of third-party invoices.

- In addition, if the resident has used a private vehicle to travel to the residency location, or if the organising institution is the party providing accommodation, subsistence and production resources to the residents, the expenses must also be justified by means of a document signed by the resident or the representative of the group confirming:
  - That said entity has covered their expenses during the residency period.
  - Or that they have received from the beneficiary entity the stipulated amount or the necessary materials and equipment.

Expenses corresponding to services provided by third parties must be justified by means of copies of the relevant invoices.

In PICE-Residencies, the following expenses shall be considered as not necessarily requiring justification against third-party invoices: accommodation, subsistence, production, travel by private vehicle, and internal programme-development costs proportionate to the participation of the supported resident.

In PICE-Mobility and PICE-Visitors, expenses may only be justified by means of copies of supporting invoices, except for travel expenses incurred using a private vehicle and subsistence expenses. In both cases, a document signed by the participant confirming that the entity has covered such expenses may be accepted.

In no case may expenses exceed the limits established for each type of expenditure in point 4.1 of the PICE regulatory framework.

The supporting invoices for all three PICE strands must comply with the following requirements:

- Invoices issued in the local currency, duly completed and in proper form, or documents with evidential value for each of the expenses listed in the Financial Report. They must be addressed to the beneficiary entity. If a third party has incurred the expense, the beneficiary must submit proof of payment of such expenses to the entity that made the disbursement. Such proof must be accompanied by a copy of the corresponding invoice.
- Invoices or documents with evidential value supporting expenses not contemplated in the terms and conditions will not be accepted. Nor will expenses from categories not included in the application or not approved by AC/E before the start of the event be accepted.
- To calculate the exchange rate, the information published by the Bank of Spain for quoted currencies must be used. Go to the Bank of Spain.
- If the artists, creators, visitors or residents ultimately do not participate in the event/residency for which support was awarded, the only permitted expense shall be travel insurance, provided that it was included in the affected participant's application and/or approved by AC/E in accordance with the instructions set out in point 8 of the PICE regulatory framework. Such expenses will only be accepted where the cancellation occurred at the last minute, meaning that the beneficiary entity did not have time to find a replacement, and where the reasons giving rise to it were unforeseen and duly justified. AC/E reserves the right to reject expenses that are not duly justified.
- No other type of expense shall be accepted in the event of a participant's cancellation, regardless of when it occurs.
- Where expenses are justified as internal costs for the development of the residency programme, only an amount not exceeding 30% of the total justified expenses shall be accepted.
- Where subsistence allowances are requested, the beneficiary entity may only justify them by means of a document signed by the creator, visitor or resident confirming that the entity has covered their subsistence expenses.

In PICE-Mobility and PICE-Residencies involving international stays, the daily amounts to be justified shall not exceed those established in Royal Decree 462/2002 of 24 May on allowances for official duties, published in the Official State Gazette (B.O.E.) of 30/05/2002, for Group 2 and for the country where the activity takes place. See Royal Decree.

- In PICE-Visitors and PICE-Residencies involving domestic stays, the daily amounts to be justified shall not exceed the amount established for Group 2 in the Resolution of 2 December 2005 which, in compliance with the fourth final provision of Royal Decree 462/2002 of 24 May, revises the domestic allowance amounts set out in Annex II. See Resolution. In cases where the beneficiary entity organises lunches and dinners through contracted restaurant and catering services, subsistence may be justified by submitting invoices for the contracted menus, provided that the daily amounts per guest do not exceed the amounts specified in the preceding paragraphs. In no case may subsistence be justified with receipts for consumption at various establishments, supermarket purchases or items of an equivalent nature.

- Where travel expenses are requested and journeys are made by car, the beneficiary entity may only justify them by means of a document signed by the artist, creator, visitor or resident confirming that the entity has covered their travel expenses for an amount not exceeding the per-person limit defined in point 4.1 of the PICE regulatory framework with regard to travel expenses and the provisions of Order EHA/3770/2005 of 1 December, revising the compensation amount for the use of a private vehicle established in Royal Decree 462/2002 of 24 May on allowances for official duties. The same procedure shall apply to the justification of toll expenses.

- For travel by plane, train, coach, etc., a copy of the ticket must always be attached, showing the traveller's name, the dates of travel and the route. For the purchase of plane tickets through online platforms, proof of the corresponding payment must be submitted, which may be the bank statement showing the charge for the purchase.

- For the justification of expenses that are not clearly assigned to a specific participant and affect more than one person, a reasonable proportional allocation of amounts shall be applied, tailored to the particular circumstances of each case.

- The notes provided by the beneficiary in the application shall be for information purposes only and shall not constitute any payment obligation for AC/E.

E. If requested by AC/E, it shall be necessary to submit a list of supporting documents for the payments made.

F. Only where the event is digital or hybrid, the beneficiary entity must justify the virtual participation of the supported creators or visitors by sending a recording of their contribution or presentation at the relevant event, or by providing access to it. Copyright information must be specified so that AC/E may use such materials for dissemination and promotional purposes on its website.

G. Only once AC/E's Finance Department has reviewed the documentation detailed above and given its approval, the beneficiary entity must complete the supporting documentation by issuing, in Spanish or English, an invoice for the awarded amount or for the justified expenses. Such invoice must be sent by email or through the invoice submission portal specified by AC/E to the beneficiary.

4. Invoicing requirements

The invoice must include the details of the issuer and the recipient:

4.1 Beneficiaries with tax residence in Spain:

Recipient Details:

Sociedad Mercantil Estatal de Acción Cultural S.A.
C/ José Abascal, 4-4ª planta
28003 Madrid. España
NIF: A81553521

Issuer Details:

- Invoices must include the issuer's name or corporate name, address and Tax Identification Number (NIF). Invoices must include the issuer's complete bank details, IBAN and SWIFT code.
- The awarded amount is exclusive of VAT and is deemed to be a supply of services subject to VAT; the corresponding VAT must therefore be charged on the invoice. However, if the invoice issuer considers that the transaction is exempt or outside the scope of VAT, they shall include a note on the invoice citing the applicable article of the Spanish VAT Act.
- If the beneficiary entity is not required to issue an invoice due to its tax status, it shall issue a certificate or letter signed by the relevant responsible person requesting payment of the awarded amount. It shall include the recipient and issuer details referred to above and declare that it is not required to issue an invoice, justifying the legal reason and citing the applicable article and law.

4.2 Beneficiaries with tax residence in the European Union

Recipient details:

Sociedad Mercantil Estatal de Acción Cultural S.A.
C/ José Abascal, 4-4ª planta
28003 Madrid. España
NIF e Intracommunity VAT number: ESA81553521

Issuer Details:

- Invoices must include the beneficiary entity's intra-Community VAT number registered in VIES (VAT Information Exchange System), in addition to its name or corporate name and address. Invoices must include the issuer's complete bank details, IBAN and SWIFT code.
- The "reverse charge" mechanism shall apply. The awarded amount is exclusive of VAT, and the invoice issuer does not need to charge AC/E VAT from its own country, since the service is subject to VAT in the recipient's country. The service recipient (AC/E) is the taxable person, regardless of where the cultural event is held. This is an "intra-Community acquisition of services".
- The invoice issuer shall include a note on the invoice stating that the transaction is "VAT not charged under the reverse charge mechanism" and shall cite the relevant article and VAT legislation applicable in its country.
- AC/E shall declare these transactions to the Spanish Tax Agency using Form 349, "Recapitulative Statement of Intra-Community Transactions".
- If the beneficiary entity considers that the reverse charge mechanism does not apply, is not required in its country to be registered in VIES and therefore does not have an intra-Community VAT number, is not a VAT taxable person, does not carry on a business or professional activity, or if any other tax situation applies, it shall include a note on the invoice stating "outside the scope of VAT" or "VAT exempt", as applicable, and citing the relevant article and VAT legislation, or equivalent legislation, applicable in its country.
- If the entity is not required to issue an invoice due to its tax status and the legislation of its country, it shall issue a certificate or letter signed by the relevant responsible person requesting payment of the awarded amount. It shall include the recipient and issuer details referred to above and declare that it is not required to issue an invoice, justifying the legal reason and citing the article and legislation applicable in its country.

4.3 Beneficiaries with tax residence outside of the European Union.

Recipient Details:

Sociedad Mercantil Estatal de Acción Cultural S.A.
C/José Abascal, 4-4ª planta
28003 Madrid. España
NIF e Intracommunity VAT number: ESA81553521

Issuer Details:

- Invoices must include the issuer's full details (name or corporate name, address and Tax Identification Number – NIF or equivalent). Invoices must contain the issuer's bank details: SWIFT code, account number, account holder and bank name, and the issuer must ensure that the bank accepts transfers in euros.
- The awarded amount is deemed to include VAT, or any other applicable tax in the country.
- If the entity is not required to issue an invoice due to its tax status and the legislation of its country, it shall issue a certificate or letter signed by the relevant responsible person requesting payment of the awarded amount. It shall include the recipient and issuer details referred to above and declare that it is not required to issue an invoice, justifying the legal reason and citing the article and legislation applicable in its country.

5. Payment

5.1. Payment of the granted support shall be made by AC/E after the event has concluded and only once the beneficiary has submitted the aforementioned documentation and it has been reviewed and approved by AC/E's Programming Department and Finance Department. The justified amount shall be paid to the beneficiary by bank transfer in a single payment within a maximum period of thirty (30) calendar days from receipt of the invoice. No advance payment shall be possible.

5.2. In all three strands – Mobility, Visitors and Residencies – payment shall be made solely to the entity that has been awarded support and into accounts held at financial institutions in its country. Payments to financial institutions in countries other than that of the beneficiary shall not be accepted.En las tres modalidades, Movilidad, Visitantes y Residencias, el pago se producirá únicamente a la entidad que haya resultado adjudicataria y en cuentas de entidades financieras de su país. No se aceptarán pagos en entidades financieras de países distintos al del adjudicatario.