Workshop on Contract Management

Financial Rules

Project Representatives’ Meeting
Berlin, September 2004
1. Budget headings
2. Co-financing concept
3. Financial Report
4. Budget headings
5. Grant financial ceilings
6. Modifications to the agreement
7. General advice for your reporting

• Questions
# Budget headings & Contractual ceilings

<table>
<thead>
<tr>
<th>I. Staff costs</th>
<th>Max. 30% of the overall cost of the action (A.4 of the Grant Agreement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>II. Travel costs and Costs of stay</td>
<td>Costs of stay: Maxima amounts per person</td>
</tr>
<tr>
<td></td>
<td>Travel costs: Actual costs per person</td>
</tr>
<tr>
<td>III. Equipment</td>
<td>Max. 30% of the overall cost of the action (A.4 of the Grant Agreement)</td>
</tr>
<tr>
<td>IV. Printing &amp; Publishing</td>
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<tr>
<td>V. Other costs</td>
<td></td>
</tr>
<tr>
<td>VI. Indirect costs</td>
<td>Max. 7% of the total eligible cost</td>
</tr>
</tbody>
</table>
co-financing

The EC grant can cover no more than 95% of the total eligible costs of the project. The remaining costs, equivalent to at least 5% of the total eligible costs, must be co-financed.

The EC contribution cannot exceed the maximum grant amount (A.3 of the Grant Agreement)
Annex III/7 (1 sample)
I. Staff costs

**Purpose**
- Staff costs should:
  - Cover only administrative or academic tasks
  - Cover eventual “Replacement costs” (3.3 of Annex V/2)

**Contractual Rules**
- Tasks directly necessary and not covered by other sources
- The amount should be calculated based on the cost of the action = **30% maximum**
- ! Staff costs should respect local salary rates

**Supporting Documents**
- The Contractor should provide:
  - For consortium member staff: a Convention
  - For non-consortium member staff: a Subcontract, a related invoice and a Convention
  - For replacement of EU teaching staff: confirmation of engagement and a Convention
Example of staff costs
TABLE IN ANNEX1.DOC
Convention form
ANNEX1.DOC
II. Staff – travel costs and costs of stay

- **purpose**
  - Travel Costs and Costs of Stay for:
    - Assignments for teachers/trainers, retraining and updating courses, practical placements, development of academic activities, short visits for coordination and planning, short intensive courses, dissemination visits

- **contractual rules**
  - The amount for Travel Costs & Costs of Stay should:
    - cover only actual travel costs
    - respect the maxima per person (for costs of stay)
  - Travel for research activities is not allowed

- **supporting documents**
  - For staff in mobility the Grantholder provides:
    - a complete Individual Grantholder Report (IGR) for each mobility using the standard form
    - readable copies of travel tickets, invoices
### II. Staff – activities and mobility directions

<table>
<thead>
<tr>
<th>Activity</th>
<th>Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignments for teachers/trainers</td>
<td>EU → PC / PC → EU</td>
</tr>
<tr>
<td>Re-training and up-dating courses</td>
<td>PC → EU, Candidate countries</td>
</tr>
<tr>
<td>Practical placements</td>
<td>PC → EU, Candidate countries</td>
</tr>
<tr>
<td>Development of academic activities</td>
<td>EU → PC / PC → EU / PC → PC</td>
</tr>
<tr>
<td>Short visits for coordination and planning</td>
<td>EU → PC / PC → EU / PC → PC / EU → EU*</td>
</tr>
<tr>
<td>Short intensive courses (including language)</td>
<td>Within the PC or combined with another PC → EU mobility</td>
</tr>
<tr>
<td>Visit for dissemination purposes</td>
<td>Mobility is allowed to other institutions in the Partner Countries</td>
</tr>
</tbody>
</table>

* Only for coordination visits
Example of travel costs and cost of stay
ANNEX1.DOC - table
IGR form
II. Students - travel costs / costs of stay

**Purpose**

Travel Costs & Costs of Stay apply to project consortia students for:
- Study periods, practical placements in an enterprise, intensive courses and participation of student representatives in University Management project.

**Contractual Rules**

- The amount for Travel Costs & Costs of Stay should:
  - cover only actual travel costs
  - respect the maxima per person (for costs of stay)

  Host universities can claim institutional costs for receiving students from abroad (c.f. 4.5.4 of Annex V).

**Supporting Documents**

- For students in mobility the Grantholder provides:
  - a complete Individual Grantholder Report (IGR) for each mobility using the standard form
  - readable copies of travel tickets, invoices
## II. Students - activities / mobility directions

<table>
<thead>
<tr>
<th>Activity</th>
<th>Direction</th>
<th>Minimum duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Study period</td>
<td>EU → EU NO!</td>
<td>3 months</td>
</tr>
<tr>
<td>Practical placement</td>
<td>EU → EU NO!</td>
<td>1 month</td>
</tr>
<tr>
<td>Intensive course</td>
<td>PC → EU ONLY!</td>
<td>15 days</td>
</tr>
<tr>
<td>Student representatives in UM_JEP</td>
<td>All</td>
<td>-</td>
</tr>
</tbody>
</table>
III. Equipment

**Equipment should:**
- be eligible
- be exclusively for the eligible institutions marked with an asterisk in Annex I of the Grant Agreement where it should be used, inventoried and installed
- be exempt from VAT

**The amount should be calculated** based on the cost of the action = 30% maximum

**The Grantholder provides readable copies of:**
- all invoices

Purpose

Contractual rules

Supporting documents
Example of equipment

ANNEX1.DOC - table
IV. Printing & Publishing

**Purpose**

Printing & Publishing should cover:
- paper and electronic productions (e.g., electronic form, web design and website)
- photocopying of teaching materials

(General photocopying = Indirect costs)

**Contractual Rules**

Internal staff costs may not be covered by this budget heading (i.e., web updating and web maintenance)

**Supporting Documents**

The Grantholder provides readable copies of:
- all invoices
Example of PRINTING & PUBLISHING ANNEX1.DOC - table
V. Other costs

Other costs should cover other costs not included under other categories:
- dissemination of information
- inter-project coaching
- visa costs
- bank charges (including bank guarantee if requested)
- external translations and external language courses
- rent of premises for dissemination events (Commission authorisation required)

Ineligible costs: hospitality costs, costs related to the use of materials incurred by institutions when hosting students/ staff, registration fees for courses etc., (c.f. II.14.4 of the Grant Agreement)

The Grantholder provides readable copies of:
- invoices and bank statements
example of OTHER COSTS
ANNEX1.DOC - table
VI. Indirect Costs

Indirect Costs can cover:
- stationary, office supplies, general photocopying
- postage and telecommunication costs attributable to the project

The amount should be calculated based on the cost of the action = 7% maximum

The expenditures can be charged up to 7% of the eligible expenses verified with the assessment of the Final Report

NO supporting document is required

Indirect costs cannot be part of co-financing
modifications: general advice

- Modifications in terms of budget and activities acquire contractual value after prior written approval of the Commission.

- Requests for modifications should be duly justified in relation to the project objectives.

- Modifications should be detailed.

- Modifications can be introduced either through the Implementation Report and Financial Statement or through general correspondence.
Prior written request to the EC for authorisation is needed for:

- Any increase of the approved amount allocated under each budget heading (Tempus + Co-finance) of more than 10%.

- Requests must indicate the reason and the impact of such budget modifications on the activities and the expected outcomes of the modification.
Prior written request to the EC for authorisation is needed for:

- Addition of a consortium member
- Withdrawal of a consortium member
- Changes of contact person at the Grantholder Institution
- Extension of the agreement period
- Suspension
general advice for your reporting

✓ Schedule the co-ordination meetings in due time

✓ Collect the supporting documents as soon as activities have taken place

✓ Do not under-estimate the time and the human resources needed for the reporting activities