

Financial Reporting

Project Representatives' Meeting
Brussels, 10-11 March 2008

Agenda

- 1. Co-financing concept and determination of the final grant**
 - 2. Budget headings & ceilings**
 - 3. Modifications to the budget**
 - 4. Financial Report & Payment Cycle**
- Questions**

Co-financing concept

The Tempus grant contribution may not exceed 95% of the total eligible costs (Tempus + co-financing) at the end of the action

Actual Co-financing (minimum 5%)

- **should be declared and justified in the Final Report and will be considered and assessed for the calculation of the final total eligible costs**
- **must satisfy the same criteria as Tempus rules (except for contractual ceilings of 30% and the 10% flexibility on transfers between budget headings)**
- **can be declared under any budget heading except Indirect costs (since those cannot easily be directly attributable to the action)**

Co-financing and final grant

- 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. = Ceiling A
- The EC grant cannot exceed the amount necessary to balance the action's receipts and expenditure and that it may not in any circumstances produce a profit for him. = Ceiling B
- The EC contribution cannot exceed the maximum Tempus grant amount (A.3 of the Grant Agreement). = Ceiling C

Determination of the final grant

Ceiling A: 95% of the total eligible costs at the end of the action

Ceiling B: Total declared expenditure minus declared co-financing amount

Ceiling C: Maximum Tempus Grant amount = A. 3

After calculating the three ceilings, the final grant will correspond to the lowest amount among them

Budget headings & Contractual ceilings

**I. Staff costs (incl. replacement costs):
plus up to 10% flexibility
without authorisation**

Max. 30% of the Tempus Maximum Grant Amount (A.3 of the Grant Agreement)*.

**II. Travel costs and Costs of stay (incl. students) plus up to 10% flexibility
without authorisation**

**Costs of stay: Maxima amounts per person
Travel costs: Actual costs per person**

**III. Equipment plus up to 10%
flexibility without authorisation**

Max. 30% of the Tempus Maximum Grant Amount (A.3 of the Grant Agreement)*

**IV. Printing & Publishing plus up
to 10% flexibility without
authorisation**

Max. 7% of the Tempus Maximum Grant Amount (A.3 of the Grant Agreement). Co-financing is not permitted.

**V. Other costs plus up to 10%
flexibility without authorisation**

**VI. Indirect costs plus up to 10%
flexibility without authorisation
Never more than 7% of A.3**

***Co-financing under these headings is not subject to the above mentioned limits**

Modifications to the Budget

Prior written request to the EC for authorisation is needed for:

- **Any increase leading to an increase of more than 10% of the approved amount allocated under each budget heading (Tempus).**

Requests must indicate the reason and the impact of such budget modifications on the activities and the expected outcomes of the modification

I. Staff costs (incl. Replacement costs)

purpose

Staff costs should:

- Cover only administrative or academic tasks (3.1 Annex V)
- Cover eventual “Replacement costs” (3.2 of Annex V)

contractual rules

Tasks directly necessary and not covered by other sources

30% ceiling: Calculation based on the Tempus Maximum Grant Amount = **30% maximum of A.3**
! Co-financing is not subject to the 30% limit

! 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
- Separate Conventions for ADMINISTRATIVE & ACADEMIC tasks

Example of staff costs - Example

Convention form – Example

II. Travel costs and costs of stay

Staff

purpose

Travel Costs and Costs of Stay for:

Assignments for teachers/trainers administrative staff and experts listed in Annex I, 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 – see table 4.4.3, Annex V (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

Activity

Direction

Assignments for teachers/trainers		EU → PC / PC → EU
Re-training and up-dating courses	→	PC → EU, Candidate countries
Practical placements	→	PC → EU, Candidate countries
Development of academic activities	→	EU → PC / PC → EU / PC → PC / EU → EU
Short visits for coordination and planning	→	EU → PC / PC → EU / PC → PC / EU → EU
Short intensive courses (including language)	→	Within the PC or combined with another planned PC → EU mobility
Visit for dissemination purposes	→	Mobility is allowed to other institutions in the Partner Countries (even if they are not in the consortium)

II. Travel costs and costs of stay Students

purpose

Travel Costs & Costs of Stay apply to project consortia students for:

Study periods, practical placements in an enterprise, intensive courses for Partner Country students 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 c.f. 4.5.3 of Annex V)

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

Activity		Direction		Minimum duration
Study period	→	EU → EU NO!	→	3 months
Practical placement	→	EU → EU NO!	→	1 month
Intensive course	→	PC → EU ONLY!	→	15 days
Student representatives in UM_JEP	→	All	→	-

Specific authorisation is requested for any destination different from the above ones.

Travel costs and cost of stay - Example

IGR form

III. Equipment

purpose

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 and custom duties (if a “Framework Agreement” between PC and EU stipulates this exemption)
- Depreciation is not applicable.

contractual rules

30% ceiling: the calculation is based on the Tempus Maximum Grant Amount = 30% maximum of A.3
! Co-financing is not subject to the 30% limit

supporting documents

The Grantholder provides readable copies of:

- all invoices for all equipment declared costs
- Proofs of awarding procedure (3 offers)

Equipment - Example

IV. Printing & Publishing

purpose

Printing & Publishing should cover :

- paper and electronic productions (eg. electronic form)
- design and development of 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

Printing & Publishing - Example

V. Other costs

purpose

Other costs should cover other costs not included under other categories:

- dissemination of information (advertisement in a newspaper)
- inter-project coaching
- visa costs including the compulsory Schengen visa insurance
- mobility costs to get visa: under travel costs budget heading
- bank charges (including bank guarantee if requested)
- external translations and external language courses
- rent of premises for dissemination events (Commission authorisation is required).

contractual rules

Ineligible costs: hospitality costs, costs related to the use of materials incurred by institutions when hosting students/ staff, registration fees for courses, staff, printing and publishing, mobility costs, etc.

supporting documents

The Grantholder provides readable copies of:

- invoices and bank statements

Other Costs - Example

Award of contract Procedure

the Award of contract procedure (Art. II.9) shall be applied **when purchasing any kind of goods or services** in the framework of the action:

BUT only

- when the amount to be contracted out **exceeds the threshold of €10.000** (offers can also be taken by Internet).

No « saucissonage du marché » is allowed.

Proofs of awarding procedure should be kept and submitted with the Final report

AND not

- ✓ when the amount to be contracted is less than €10.000, in which case a direct agreement can be made with a supplier.
- ✓ When sub-contracting external experts/individuals/industry/enterprises/institutions for administrative and academic tasks

VI. Indirect Costs

purpose

Indirect Costs can cover:

- stationary, office supplies, general photocopying
- postage and telecommunication costs attributable to the project

contractual rules

Flat-rate corresponding to maximum **7%** of the Tempus Maximum Grant Amount = **7% maximum of A.3**

supporting documents

NO supporting document is required

NO co-financing is permitted under this budget heading 

Financial statement (example)

**Ceilings 30% and 7%
are respected
here !!!**

	Authorised budget (1)	Declared Paid from Tempus (2)	Declared cofinancing	Tot. Declared
Staff costs (incl. replacement costs)	28000	28500 _{30%}	2500	31000
Travel costs and costs of stay (incl. students)	32000	30000	2000	32000
Equipment	11000	10000 _{10,5%}	1000	11000
Printing and publishing	12000	10000	1000	11000
Other costs	5350	3000	0	3000
Indirect costs	6650	6650 _{7%}		6650
Max. tot. Tempus grant (A.3)	95000	88150		
Project expenditure of beneficiaries (cofinancing)	5000			
Total eligible costs (A.4)	100000			94650

The comparison is between column 2 and A.3



Financial statement (example)

10% rule is not respected here!!!	Authorised budget (1)	Declared Paid from Tempus (2)	Declared cofinancing	Tot. Declared
	Staff costs (incl. replacement costs)	28000	31000 <small>10% = 30800</small>	0
Travel costs and costs of stay (incl. students)	32000	28000	2000	30000
Equipment	11000	15000 <small>10% = 12100</small>	0	15000
Printing and publishing	12000	9000	1000	10000
Other costs	5350	2000	0	2000
Indirect costs	6650	8000 <small>10% = 7315 and >7%</small>		8000
Max. tot. Tempus grant (A.3)	95000	93000		
Project expenditure of beneficiaries (cofinancing)	5000			
Total eligible costs (A.4)	100000			96000

The comparison is between column 1 and 2



Reports & Payment Cycle

1st pre-financing: 60% of the amount specified at A.3 of the Grant Agreement within 45 days of:

- the date when the last of the parties signs the GA
- upon receipt of a financial guarantee if required in Annex I

1st REPORT – 8 February 2008; 15 April 2008

- report on the action's implementation (IR1)
- summary report for publication

No financial statement is required

2nd REPORT – 30 September 2008; 31st March 2009;

- report on the action's implementation (IR2)
- summary report for publication

No financial statement is required

2nd pre-financing - Statement of the costs incurred: 30% of the amount specified at A.3 of GA when 70% of the 1st pre-financing has been disbursed

LAST REPORT - 2 months after the end of the eligibility period

- final report on the action's implementation (LR)
- summary report for publication
- financial statement and supporting documents

Payment representing the balance of the grant within 45 days following approval of LR