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# GRANT MANAGEMENT AND FINANCIAL REPORTING

4<sup>th</sup> Partner Meeting

Baguio City, 20<sup>th</sup> April 2018



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## PRESENTATION OUTLINE

- General financing principles
- Project reporting on consortium level
- Payment cycles and applicable exchange rates
- Internal reporting
- Staff costs. Supporting documents
- Travel costs and costs of stay. Supporting documents
- Equipment
- Ineligible costs.



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## GENERAL FINANCING PRINCIPLES

- Funding rule: amount of the grant is NOT equal to the total costs of the project
- The grant is a combination of unit costs and actual costs and calculated so as to require co-funding to implement the project
- Co-funding:
  - other expenses (e.g. overhead costs) or expenditure higher than unit cost values
  - not taken into account for the final calculation of the Grant
  - requested with final report for information purposes



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## PROJECT REPORTING ON CONSORTIUM LEVEL

- Progress Report: halfway through the project lifetime; deadline **14.04.2018**
- Final Report: 2 months after the end of the eligibility period; deadline: **14.12.2019**
- Technical report and financial statement.



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# PROJECT REPORTING ON CONSORTIUM LEVEL (2)

Project Number	573936-EPP-1-2016-1-BG-EPPKA2-CBHE-JP
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Co-financing (for information only)	721,55
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Budget Headings	1. Grant Awarded (in EUR)	Budget Spent (in EUR)
1. Staff Costs	309 395,00	81 868,00
2. Travel Costs	129 675,00	44 400,00
3. Costs of Stay	146 940,00	46 800,00
4. Equipment Costs	170 000,00	0,00
5. Subcontracting Costs	36 500,00	8 949,82
<b>A. Grant for Project Activities</b>	<b>792 510,00</b>	<b>182 017,82</b>
<b>B. Additional Grant for Special Mobility Strand</b>	<b>0,00</b>	<b>0,00</b>
<b>Total Grant requested from the European Union (A + B)</b>	<b>792 510,00</b>	<b>182 017,82</b>

## DISTRIBUTION OF THE GRANT BY ORGANISATION (in EUR)

Partner N°	Name of Partner	Country	PR/PA	1. Staff Costs	2. Travel Costs	3. Costs of Stay	4. Equipment Costs	5. Subcontracting Costs	Total Costs (in EUR)
P1	Visshе Uchilishte po menidzhmant	Bulgaria	Programme Countries	12 190,00	3 300,00	4 320,00	-	8 949,82	28 759,82
P2	Panepistimio Thessalias	Greece	Programme Countries	10 229,00	3 575,00	4 680,00	-	-	18 484,00
P3	Haskolinn i Reykjavik Ehf	Iceland	Programme Countries	37 474,00	1 590,00	2 160,00	-	-	41 224,00
P4	Universita degli Studi Guglielmo Marconi	Italy	Programme Countries	-	1 375,00	1 320,00	-	-	2 695,00
P5	Innovation & Management Centre Ltd	Ireland	Programme Countries	11 262,00	2 540,00	3 600,00	-	-	17 402,00
P6	University of Indonesia	Indonesia	Partner Countries	-	4 400,00	3 360,00	-	-	7 760,00
P7	Universitas Bina Nusantara	Indonesia	Partner Countries	-	5 500,00	6 120,00	-	-	11 620,00
P8	University of Cebu Inc.	Philippines	Partner Countries	2 545,00	4 020,00	4 320,00	-	-	10 885,00
P9	Malayan Colleges Inc.	Philippines	Partner Countries	3 714,00	6 220,00	5 640,00	-	-	15 574,00
P10	Saint Louis College Inc.	Philippines	Partner Countries	1 970,00	6 760,00	6 480,00	-	-	15 210,00
P11	IdeaSpace Foundation Inc.	Philippines	Partner Countries	2 484,00	5 120,00	4 800,00	-	-	12 404,00



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## PAYMENT CYCLE ON CONSORTIUM LEVEL

- 1<sup>st</sup> pre-financing upon entry into force of the Grant Agreement: 50%
- 2<sup>nd</sup> pre-financing (40%) when 70% of the 1<sup>st</sup> pre-financing is used
- Balance payment that is max. 10% EACEA payment or recovery 60 days following the reception of the Final Report



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# EXCHANGE RATES

Transactions  $\neq$  EUR must be converted and reported in EUR in the Financial Statement of the final report

Which exchange rate should be applied?

- from start of eligibility period until date of receipt of second pre-financing: rate of month in which the coordinating institution received the first pre-financing
- from date of receipt of second pre-financing until end of eligibility period: rate of month in which the coordinating institution received the second pre-financing

Rate to apply: monthly rate established by the Commission: <http://ec.europa.eu/budget/inforeuro>



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## INTERNAL REPORTING

- Report and claim schedule (due deadlines: 30.08.2018, 28.02.2019, 30.10.2019)
- Submission of internal report and partner claim for payment
- Provision of complete supporting documentation for all costs claimed
- Information on actual costs incurred versus unit costs and the amounts of co-financing
- Identified issues with international reporting so far: incomplete mobility documentation, lack of formal employment evidence, lack of sufficient evidence supporting the staff costs claimed, not well enough justified number of days claimed, wrongly defined staff categories and positions, documents not signed by the authorized persons etc.





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## STAFF COSTS

- Performing tasks necessary to achievement of the project
- Formal contractual relationship
- Calculation of the grant 3 variables: staff category, country in which staff member is employed, number of days worked
- Each unit cost corresponds to an amount in EUR per working day per staff
- Categories: Managers/Researchers, Teachers and trainers/Technical staff /Administrative staff
- Staff category: nature of work performed, not status of individual
- Unit cost: country in which staff is employed, independently of where tasks are executed



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## STAFF COSTS: SUPPORTING DOCUMENTS

- **JOINT DECLARATION** for each person employed
- **TIME-SHEETS** (attached to each joint declaration), indicating number of days worked for corresponding month/year, description of tasks , outputs produced and related work package
- **FORMAL CONTRACTUAL RELATIONSHIP** (Employment Contract)
- **ADDITIONAL EVIDENCE** clearly proving that the declared workloads correspond to actual activities/outputs (e.g. salary slips, agendas, attendance/participant lists, tangible outputs/products, minutes of meetings, etc.)



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## TRAVEL COSTS AND COSTS OF STAY

Staff/students participating in activities related to the achievement of the project

Unit costs to apply 3 variables: (1) travel distance (for travel costs), (2) duration for costs of stay and (3) type of participant.

**Who may benefit?**

**Staff:** under contract with beneficiary institutions and involved in the project; travels intended for the activities listed in the Guidelines

**Students:** registered in one of the beneficiary institutions; targeted mainly at Partner Country students and intended for activities listed in the Guidelines.



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## TRAVEL COSTS AND COSTS OF STAY: SUPPORTING DOCUMENTS

Justification for the following elements:

- Journeys actually took place
- Journeys connected to specific and identifiable project-related activities

Minimum supporting documents include:

- INDIVIDUAL TRAVEL REPORT
- FORMAL CONTRACTUAL RELATIONSHIP (Employment Contract)
- **ADDITIONAL EVIDENCE:** travel tickets, boarding passes, invoices, receipts, proof of attendance in meetings and/or events, agendas, tangible outputs/products, minutes of meetings)



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## EQUIPMENT

In BEEHIVE equipment purchase is subject to tendering procedures.

- Principles of transparency, equal treatment of potential contractors, avoiding conflicts of interests
- Criterion for selection of offer: 3 quotations, best value for money
- Relevant to the objectives of the project foreseen in the application
- Purchased and installed at the beginning of the project
- Recorded in inventory of institution where it is installed
- Labelled with E+ stickers



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## EQUIPMENT: SUPPORTING DOCUMENTS

- Complete tender documentation
- Invoices
- Bank statements
- 3 quotations from different suppliers and complete tendering procedure documentation for expenses exceeding 25000,00 EUR
- Proof that the equipment is recorded in the inventory of the institutions.



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## INELIGIBLE COSTS

**Ineligible costs** are all costs that do not fulfill the eligibility requirements listed plus:

- equipment such as: furniture, motor vehicles, alarm systems
- costs linked to the purchase of real estate
- activities not carried out in the project beneficiaries' country (see Annex IV), unless prior authorization
- exchange losses
- in kind contribution
- excessive or reckless expenditure
- deductible VAT.



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Thank you for your attention!

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