

**Strengthening Educational Capacities by Building Competences  
and Cooperation in the Field of Noise and Vibration Engineering  
SENVIBE**

# **Financial Management Plan**

**Part of Activity 9.3**

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Novi Sad, 10/12/2018**

## **Content:**

- 1. Objectives of the Financial Management Plan**
- 2. General Financial Rules**
- 3. Managing Project Archives and Reporting**

## 1. Objectives of the Financial Management Plan

The objective of this document is to provide general guidelines and assure correct application of financial rules prescribed by the Education, Audiovisual and Culture Executive Agency (EACEA) throughout the project lifecycle. The Financial Management Plan must be applied in full compliance with the Erasmus+ Programme Guide as well as with the Grant Agreement which are the bases of this document.

Since the Partnership Agreements to be signed by all project partners cover the various financial, technical and legal aspects related to the implementation of the project, this Financial Management Plan aims to ensure that all project partners clearly understand the financial rules and importance of adequate use of the allocated grant.

According to the Partnership Agreements, the project coordinator will transfer each institutional budget to the project partners in accordance with the defined procedure. In order to fulfill the prescribed procedure and to avoid the incorrect use of the grant, it is important to correctly understand the budget structure, the eligible and ineligible costs and financing approaches of the grant.

## 2. General Financial Rules

Regarding the prescribed financial rules there are costs which are considered eligible and also ineligible costs of the grant.

### **Eligible costs are the following:**

- Incurred during the eligibility period;
- Foreseen in the application/budget;
- In connection with the action and necessary for project implementation;
- Identifiable, verifiable, recorded in accounting records of the beneficiary;
- Comply with requirements of applicable tax and national legislation;
- Reasonable, justified, complying with principle of sound financial management, in particular regarding economy and efficiency.

**Ineligible costs are the following:**

- Equipment such as: furniture, motor vehicles, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft systems;
- Costs of premises (purchase, rent, heating, maintenance, repairs etc.)
- Costs linked to the purchase of real estate;
- Activities not carried out in the project beneficiaries' country;
- Depreciation costs;
- Exchange loses;
- Costs of transfers from the Agency charged by the bank of a beneficiary;
- In kind contribution,
- Excessive or reckless expenditure,
- Deductible VAT,
- Hospitality costs,
- Registration fees for courses, seminars, symposia, conferences, congresses, etc.).

**It is required that every institution opens a project bank account in EUR. Serbian partners should ALSO open a project bank account in RSD in order to be able to track any transactions made within the project budget.**

**Transactions** different from **EUR must be converted and reported in EUR** in the Financial Statement of the final report.

**The project partners will use two exchange rates during the project lifetime:**

- From the start of the eligibility period until the date of the receipt of the second installment: the rate of a month in which the coordinating institution received the first installment
- From the date of the receipt of the second installment until the end of the eligibility period: the rate of a month in which the coordinating institution received the second installment.

## Financing approaches of the grant

The Grant is calculated on the bases of two types of costs:

### Actual costs

- Input based
- Budget headings **Equipment** and **Subcontracting**
- Expenses actually incurred
- Need to be duly documented and justified with the corresponding level of cost incurred

### Unit costs

- Output based
- Budget headings **Staff costs, Travel costs and Costs of stay**
- Fixed contribution multiplied by number of units
- "Triggering event"->activities implemented / outputs produced
- No need to justify level / amount of costs incurred
- Activities implemented during the eligibility period
- In case of financial control/audit ->declared unit costs supported with proof demonstrating that activities were implemented
- If activity/output is not accepted (e.g. not supported by concrete evidence) no corresponding unit costs is granted

## 2. Managing project archives and reporting

### **Archiving of important project related documents (SENVIBE internal web platform)**

The web site internal platform will be designed to archive all relevant documents. Registered users will have a special log-in link. A separate log-in account will be created for each partner. Registered users will have a possibility to upload a PDF document archiving it to the specific area (General Documents and divided by budget headings: Staff Costs, Travel Costs & Costs of Stay, Equipment, Subcontracting and Co-financing).

Project templates and dissemination material will also be uploaded on the web site internal platform.

### **Archiving hard copies**

Non-digital archiving of documents is as important as the digital one. In order to effectively carry out the document archiving process, all partners should keep a folder of hard-copy documents at their institutions during the project lifetime and also five years after the completion of the project.

A suggestion for the organization of the SENVIBE folder is to contain separated files within: Administration (copy of a Grant Agreement, Partnership Agreement, budget, List of institutional team members etc.), Staff Costs (institutional Staff contracts, signed Joint Declaration forms, signed Time-sheets, etc. per institutional team member), Travel Costs and Costs of Stay (travel invoices, boarding passes, hotel invoices, etc. per institutional team member), for Equipment (copies of tendering procedure documents, offers from three suppliers, VAT exemption documents, invoices, etc.), Subcontracting (invoices) and Co-financing (supporting documents).

### **How reporting will be handled**

EACEA provides a set of templates for project reporting. Reporting consists of two key documents – narrative and financial. Templates of these two documents will be posted on the project's web site internal platform. Aside from the reporting templates, each budget heading within the project requires a set of reporting/supporting documents that should be submitted to the Coordinator. Reporting to EACEA will be done twice during project lifecycle: interim report and final report. Based upon the partner reports (narrative and financial), the Coordinator's responsibility is to fill out the final narrative and financial reports and submit them to the EACEA.

For all reporting budget headings within the SENVIBE, **original copies** of ITR forms, Joint Declaration forms and Time-sheets and **certified copies** (stamped by partner institution and initialled by contact person of the partner institution) of invoices, travel documents and other relevant proofs of expenditure, should be safely kept and handed in to the Coordinator. The Coordinator will notify all partners in a timely manner prior to events/consortium meetings/trainings to bring along the original/certified copies of the required documents.

### **Staff Costs specific rules:**

- Performing tasks necessary to the achievement of the project
- Formal employment relationship
- Calculation of the grant - 2 variables: staff category and country in which staff member is employed
- 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 depends on the work performed and not on the status or title of the individual
- Unit cost corresponding to the applicable category of country in which staff is employed, independently of where tasks are executed
- Declared working days per individual may not exceed 20 days per month or 240 days per year

### **Unit Costs for Staff per project's partner country and per Staff category to be used during the lifetime of the project:**

<b>County</b>	<b>Manager</b>	<b>Teacher/Trainer /Researcher</b>	<b>Technician</b>	<b>Administrative</b>
	<b>AMOUNTS IN EUR PER DAY</b>			
<b>Sweden</b>	294	241	190	157
<b>UK</b>	280	214	162	131
<b>Serbia</b>	108	80	57	45

For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify / prove the following:

- Existence of a formal contractual relationship between the employee and the employer;

- Declared workloads which are identifiable and verifiable; Evidence is required of work completed and time spent on the project (e.g. attendance lists, tangible outputs / products, compulsory time sheets);
- No justification will be asked to prove the level of expenses, only the proof of payment (bank statements) and
- Tax statement (if applicable).

At the financial reporting stage, a duly filled-in Joint Declaration for each person employed by the project must be attached to the project accounts and retained by the coordinator as supporting documents. The Joint Declarations must be signed by the person concerned, then signed and stamped by the person responsible (e.g. the Rector) in the institution where this person is normally employed. For staff performing different categories of tasks, a separate Joint Declaration must be signed for each type of activity accompanied with corresponding Time-sheet.

**Joint Declaration should be numbered per partner institution as follows:**

Ref. No P1 – JD – 001, Ref. No P1 – JD – 002...

Ref. No P2 – JD – 001, Ref. No P2 – JD – 002...

...

...

Ref. No P9 – JD – 001, Ref. No P9 – JD – 002...

**Time-sheets must indicate:**

- the year and the month of the service provided;
- the number of days worked within the indicated month;
- the Work Package and
- the tasks performed (short description) in relation to the activity plan.

The Time-sheets must be signed by the person concerned and countersigned by the person responsible in the institution where this person is normally employed. Time-sheets and Joint Declaration together with all supporting documents will be submitted to the Coordinator complying with the reporting plan indicated in the Partnership Agreement and also here below.



Templates of Joint Declaration and Timesheet documents will be posted on the project's web site internal platform as well as the example of this documents filled out together with the accompanied supporting documents.

All templates will be updated on the project's web site internal platform when the EACEA publishes updated templates.

**The Staff Costs supporting documents to submit are the following:**

- Joint Declaration – duly filled-in. The Joint Declaration must be signed by the person concerned and signed and stamped by the responsible person in the institution where this person is normally employed.
- Time sheets for each Joint Declaration - duly filled-in and signed by the person concerned and by the responsible person in the institution where this person is normally employed
- Attendance lists for lectures given
- Tangible outputs / products
- Employment Contract
- Bank statements
- Tax statement (if applicable)

**The Staff Costs supporting documents should be uploaded on the web site internal platform, one PDF file per person, and named as follows:**

P1\_JD\_001\_Petar Petrovic, P1\_JD\_002\_Anna Clark...

P2\_JD\_001\_Petar Petrovic, P2\_JD\_002\_Anna Clark...

...

...

P9\_JD\_001\_Petar Petrovic, P9\_JD\_002\_Anna Clark...

**Travel Costs and Costs of Stay specific rules:**

- Staff/students participating in activities related to the achievement of the project
- Unit costs to apply - 3 variables: travel distance (for travel costs applicable distance band on distance calculator), duration for costs of stay and type of participant
- 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 and intended for activities listed in the Guidelines
- Unit Costs of Stay for Staff are different from Unit Costs of Stay for Students

Travel distance must be calculated using the distance band on distance calculator supported by the European Commission:

[http://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator\\_en](http://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_en)

### Unit Costs for Travel to be used during the lifetime of the project:

Distance band	Unit cost per participant
Between 10 and 99 KM	20 EUR
Between 100 and 499 KM	180 EUR
Between 500 and 1999 KM	275 EUR
Between 2000 and 2999 KM	360 EUR
Between 3000 and 3999 KM	530 EUR
Between 4000 and 7999 KM	820 EUR
8000 KM or more	1100 EUR

Duration for costs of stay is calculated on the bases of duration in days of the activity (days in agenda) plus the day of travel from the beneficiary place of origin to the venue of the activity and the day of travel from the venue to the beneficiary place of origin.

For example, if the Kick-off meeting is planned for two working days in agenda, the costs of stay for one participant coming from different beneficiary institution corresponds to a maximum of four days (four unit costs).

### Unit Costs of Stay for Staff and Students to be used during the lifetime of the project:

<b>STAFF</b>	Unit cost per day per participant	<b>STUDENT</b>	Unit cost per day per participant
Up to 14 <sup>th</sup> day of activity	<b>120 EUR</b>	Up to 14 <sup>th</sup> day of activity	<b>55 EUR</b>

For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify/prove that journeys are directly connected to specific and clearly identifiable project-related activities. For each journey, an Individual Travel Report must be attached to the project accounts and retained by the coordinator as supporting documents. Supporting documentation will have to be attached to each mobility report in order to demonstrate the fact that the trip actually took place. It will not be necessary to prove the actual cost of the travel, only the proof of payment (bank statement).

**Individual Travel Report should be numbered per partner institution as follows:**

Ref. No P1 – ITR – 001, Ref. No P1 – ITR – 002...

Ref. No P2 – ITR – 001, Ref. No P2 – ITR – 002...

...

...

Ref. No P9 – ITR – 001, Ref. No P9 – ITR – 002...

Travel Costs and Costs of Stay report should be submitted/uploaded on the project's internal platform in PDF 15 days after the travel takes place for the verification purposes.

**The Travel Costs and Costs of Stay supporting documents to submit are the following:**

- Individual Travel Report – duly filled-in and signed by the person who travelled
- Travel order / decision (if applicable)
- Travel tickets (plane, train, bus, etc.)
- Boarding passes
- Invoices
- Bank statements
- Tax statement (if applicable)
- Agendas
- Proof of attendance
- Tangible outputs / products
- Minutes of meetings

**\*Note:** Expenses for travel by private/company car must be supported by document which regulates the use of vehicles for the purpose of business travel.

**\*\*Note:** Prior authorization from the EACEA is required if the recipient of the mobility grant travels to countries and institutions other than those participating in the project.

**The Travel Costs and Costs of Stay supporting documents should be uploaded on the web site internal platform, one PDF file per person, and named as follows:**

P1\_ITR\_001\_Petar Petrovic, P1\_ITR\_002\_Anna Clark...

P2\_ITR\_001\_Petar Petrovic, P2\_ITR\_002\_Anna Clark...

...

...

P9\_ITR\_001\_Petar Petrovic, P9\_ITR\_002\_Anna Clark...

**Equipment:** For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify / prove the following elements

- that declared costs are identifiable and verifiable, in particular have been recorded in the accounting system of the beneficiary;
- that the equipment is properly registered in the inventory of the institution concerned;
- supporting documents should be sent with the financial statement:
  - when the threshold of EUR 25 000 is exceeded, documentation on the tendering procedures, contract with selected supplier, pro-forma invoice of selected supplier, vat exemption, invoice of selected supplier, bank statement, delivery notes, inventory register, pictures of equipment (with ERASMUS+ sticker). In such cases, the beneficiaries may not split the purchase of equipment into smaller contracts with lower individual amounts.

**Equipment supporting documents to submit when the threshold of EUR 25 000 is exceeded are the following:**

- Tendering procedure documentation
  - Contract with selected supplier
  - Pro-forma invoice of selected supplier
  - Vat exemption
  - Invoice of selected supplier
  - Bank statement
  - Delivery notes
  - Inventory register
- Pictures of equipment (with ERASMUS+ sticker)

All documents pertinent to procurement of equipment procedures should be submitted/uploaded on the project's internal platform in PDF 15 days after they have been obtained for the verification purposes.

The University of Novi Sad as a coordinating institution will realize equipment procurement for all Serbian partner institutions as planned in the project application according to the Executive Agency rules and National and Institutional rules.

**Sub-contracting:** For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify / prove the following:

- the existence of a formal contract;
- tangible outputs / products;
- the declared costs are identifiable and verifiable, in particular being recorded in the accounting system of the beneficiary.

**Supporting documents to submit with the financial statement are the following:**

- pro-forma invoice of selected supplier, vat exemption, invoice of selected supplier, subcontracts, bank statements, tangible outputs / products;
- in the case of travel activities of subcontracted service provider, individual travel reports (Annex) together with all copies of travel tickets, boarding passes, invoices and receipts, or for car travel, a copy of the internal regulations on their imbursement rate per km. The aim of the supporting documentation is to demonstrate the actual cost of the travel and the fact that the trip actually took place.

**Co-financing:**

According to the EU Financial Regulation grants shall always involve co-financing. Within the CBHE projects the co-financing is not taken into account for the final calculation of the grant, but at the final report stage it is expected that the project consortium provide an indication on the level and source of co-financing made available for the implementation of the project. The final financial statement will contain a dedicated section where co-financing will have to be reported. Since the project coordinator should fulfill this requirement, the project partners are invited to fill out also the co-financing sheet of the financial report and to submit/upload supporting documents for the co-financed costs on the project internal platform.

**Budget transfers and flexibility of budget headings**

Transfer between budget headings is possible within 10% without prior authorization of the EACEA but it is required the prior authorization of the project coordinator.

Financial reports shall be submitted by the beneficiary to the coordinator according to the following schedule as defined in the Partnership Agreement, Article 7, section 7.2:

Reporting period	From-To	Deadline for submission of the partnership reports by the beneficiary to the coordinator
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The 1 <sup>st</sup> reporting period	15/11/2018 – 14/5/2019	31/5/2019
The 2 <sup>nd</sup> reporting period	15/5/2019 – 14/11/2019	30/11/2019
The 3 <sup>rd</sup> reporting period	15/11/2019 – 14/5/2020	31/5/2020
The 4 <sup>th</sup> reporting period	15/5/2020 – 14/11/2020	30/11/2020
The 5 <sup>th</sup> reporting period	15/11/2020 – 14/5/2021	31/5/2021
The 6 <sup>th</sup> reporting period	15/5/2021 – 14/11/2021	14/12/2021

For the purpose of reporting by the coordinator to the Executive Agency, beneficiary shall have to submit his narrative and financial reports to the coordinator according to the following schedule as defined in the Partnership Agreement, Article 7, section 7.3:

Type of the report	Deadline for submission of the reports by the coordinator to the Executive Agency	Deadline for submission of the reports by the beneficiary to the coordinator
The progress report on the implementation of the action	(at the latest) half-way through the eligibility period, on 14/5/2020	at the latest 10 days before 30/4/2020
Final report	two months after the end of the contractual period, on 14/01/2022	14/12/2021

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