



Strengthening university autonomy and increasing accountability and transparency of Western Balkans Universities.



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# Financial Management of STAND Project

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- Approved budget of STAND project
- Maximum Grant contribution to the project costs:

<b>TOTAL GRANT (I-VI)</b>	<b>999.081,00</b>
I STAFF COSTS	395.206,00
II TRAVEL COSTS	74.435,00
III COSTS OF STAY	152.640,00
IV EQUIPMENT COSTS	298.800,00
V SUBCONTRACTING COSTS	78.000,00
VI EXCEPTIONAL COSTS	0,00

- NOTE: no part B – Special Mobility Strand (SMS)

Exchange rate that will be used under STAND project:

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Art I.4.6 of the GA Special Conditions

1. Beneficiaries with general accounts in other currency than EUR:

**Firstly** to check – ECB **AVERAGE** daily rate:

[https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/euro\\_reference\\_exchange\\_rates/html/index.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html)

**Secondly**, If not published by ECB, then INFOREUR average monthly rates apply (established by EC):

<https://ec.europa.eu/budget/graphs/inforeuro.html>

2. Beneficiaries with general accounts in EUR – usual accounting practices for costs incurred in another currencies.

**All transactions must be declared in EUR in the Final Report!**

## INSTALLMENTS FROM EACEA TO IBC-M – PROJECT COORDINATOR

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- The 01<sup>st</sup> pre-financing installment of **50%** of the maximum amount upon entry into force of the GA – not later than 30 days (*transferred on 19<sup>th</sup> January 2021*)
- 2<sup>nd</sup> pre-financing installment of **40%** of the grant – subject to the following conditions:
  - Having used at least 70% of the previous (01<sup>st</sup>) pre-financing installment;
  - The statement of costs incurred and the request for payment is sent to EACEA (Annex VI) – not later than 6 month upon end of the 01<sup>st</sup> reporting period (from **month 1 to month 21** – *a change comparing to previous GAs*);
  - The progress report on the implementation of the Action (Intermediate report) submitted to EACEA (Annex V) – not later than 60 days; and
- Balance payment of **10%** upon the approval of the Final Report.

## ELIGIBLE COSTS

### Article II.19.1 Grant Agreement

- Incurred during the eligibility period
- Foreseen in the application/budget
- In connection with the action/necessary for project implementation
- Identifiable, verifiable, recorded in accounting records
- Comply with requirements of tax and social legislation
- Reasonable, complying with sound financial management (economy and efficiency)

## INELIGIBLE COSTS

### 1) Costs NOT fulfilling requirements of Art. II.19.4

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### 2) Art. I.9 SCs of GA

#### Examples:

- ✓ equipment such as: furniture, motor vehicles, alarm systems, for research/developing purposes, **telephones, mobile phones** and anti-theft systems;
- ✓ costs linked to the purchase of real estate;
- ✓ costs of premises (purchase, rent, heating, maintenance, repair, etc.);
- ✓ activities outside of project beneficiaries' countries (Annex IV), unless prior authorisation or PG allows;
- ✓ exchange losses, debts, interest owed, deductible VAT, duties and charges;
- ✓ transfers' costs (rule in SCs GA) and in kind contribution;
- ✓ depreciation costs; and
- ✓ **excessive expenditures**

### Poor, partial or late implementation – following the stipulated under Art. II.25.4!

#### Art. I.18 SCs – Reduction of grant if scored less than **50 points**, will be:

2. The score awarded will take into account the existence and seriousness of non-, poor, partial or late implementation, and its impact on the achievement of the project. If the score is below 50%, the following reduction rates may be applied on the maximum amount of the grant provided for in the grant agreement:
  - 25% if the project scores at least 40% and below 50%, meaning that some objectives/results set in the application have not been reached, limiting the global result of the project;
  - 35% if the project scores at least 30% and below 40% meaning that several important objectives/results set in the application have not been reached, the global result of the project has been affected and the project can be considered only partially achieved;
  - 55% if the project scores at least 20% and below 30% meaning that the majority of the objectives/results set in the application have not been reached, the global result of the project has been strongly affected and the project cannot be considered achieved;
  - 75% if the project scores below 20%, meaning that any objectives/results set in the application have not been reached and any substantial outcomes of the project have not been reached in a satisfactory way.

### Price-quality ratio

Less than 25.000 €

- Best value for money

3 competitive offers at least

25.000 € - 134.000 €

- Tendering procedure

More than 134.000 €

- National Legislation





• *Relevant to the objectives of the project foreseen in the application*

- **Total purchase cost** (no depreciation)
- Exclusively for **Partner Country Higher Education Institutions**
- Recorded in **inventory** of institution
- Labelled with **E+ stickers**
- **Installed** (available for project participants) **as soon as possible**



*Not foreseen in the application?*



**Prior authorisation from Agency, i.e. Project Coordinator**

## PREPARATION FOR THE REPORT WRITING: FORMS AND SUPPORTING DOCUMENTS

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- ❖ To fill the financial part of the report, it is necessary to have prepared documentation;
- ❖ **Joint Declaration** should be filled out, signed and noted in a short period of time after the payment of fees, along with Time-sheet (term/doc. *Staff Convention* is not in use for a long time now); and
- ❖ **ITR** should be complete and signed as soon as possible after returning from a travel. Recommendation: Immediately gather all supporting documents (make copies of flight tickets, boarding passes, bus and train tickets, invoice for rented vehicle, hotel invoice, etc.).

## STAFF COSTS - SUPPORTING DOCUMENTS

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Project partners should keep all documentation related to staff costs and upload scans on STAND project platform (if N/A then to send by e-mail):

- JOINT DECLARATION for each person employed ORIGINAL
- TIME-SHEET (attached to each joint declaration), indicating number of days worked for corresponding month/year, description of tasks , outputs produced and related work package ORIGINAL
- ANY EVIDENCE allowing to verify that declared workloads correspond to actual activities/outputs (e.g. inter-institutional contract, attendance lists for lectures given, tangible outputs / products, salary slips, etc.)
- EMPLOYMENT CONTRACT
- PROOF OF PAYMENT (e.g. bank statement)
- TAX STATEMENT (if applicable)

## STAFF COSTS - SUPPORTING DOCUMENTS

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- **Joint Declaration**

- signed by task performer,
- signed and stamped by a responsible person (Project Manager - e.g. Rector, Vice-rector, etc.)
- for different staff categories ▷ **separate joint declarations**

- **Time-sheet**

- indicating date of the service provided
- indicating number of days worked
- indicating the task performed
- signed by task performer and by the project responsible person
- for different staff categories ▷ **separate time-sheets**

## TRAVEL COSTS AND COSTS OF STAY SUPPORTING DOCUMENTS

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- Travel costs

The travel distance identified will be used to calculate the corresponding unit cost. Each unit cost applied will contribute to the costs of travel for the **round trip**, regardless of the expenses actually incurred.

- Costs of stay

In order to apply the correct unit cost, the beneficiary must identify the **duration in days** of the activity (including the travel from their place of origin to the venue of the activity and vice-versa) and apply the corresponding unit costs.

*Each unit cost applied will contribute to the costs of stay regardless of the expenses actually incurred.*

## TRAVEL COSTS AND COSTS OF STAY SUPPORTING DOCUMENTS

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- Individual travel report (ITR) - SIGNED & filled in – ORIGINAL
- Table of specification of travel and stay costs (if applicable)
- Travel order/decision (if applicable)
- Proof that the **trip actually took place** (e.g. travel tickets, boarding passes, invoices, receipts, proof of attendance in meetings and/or events (attendance list), agendas, tangible outputs/products, minutes of meetings) and it was the **project related** journey
- Proof of payment for travel costs and costs of stay (bank statement)
- Proof of payment for taxes (if applicable)

## EQUIPMENT SUPPORTING DOCUMENTS

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- For the purposes of any financial evaluation and/or audit, beneficiaries will have to be able to justify / prove the following elements:
- The declared costs are identifiable and verifiable, in **particular being recorded** in the accounting system of the Beneficiary.
- The equipment is **properly registered** in the inventory of the institution concerned. **Must be labelled with E+ stickers!**
- The following should be retained with the project accounts: **Invoice(s)** for all purchased equipment (**NOTE:** an order, **form, pro-forma invoice**, quotation or estimations are **NOT** considered as proof of an expenditure).
- **VAT exemption statement**
- Documentation on the **tendering procedure** (RFP, offers, evaluation, etc)
- Proof of payment (bank statement or BPO)

## SUBCONTRACTING SUPPORTING DOCUMENTS

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- Typical activities which may be sub-contracted (provided they are not carried out by beneficiaries' staff):
  - Evaluation activities and auditing
  - IT courses
  - Language courses
  - Printing, publishing and dissemination activities
  - Translation services
  - Web design and maintenance
  - **Invoices, subcontracts and bank statements**



## SUPPORTING DOCUMENTS

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- Financial documentation should be prepared, always up-to-date and scanned;
- Each project partner is responsible for its own documentation;
- Financial documentation (staff costs, travel costs, costs of stay, equipment and subcontracting costs) should be scanned as pdf (*and uploaded on STAND financial platform*); and
- Annex VI should be fulfilled and submitted to the Coordinator as agreed in PA. Recommendation: in order to achieve Financial monitoring per budget heading/partner/WP during project implementation (to have an insight on a level of current budget consumption at the midway of the 01<sup>st</sup> reporting period – PC to decide; e.g. after 10.5-month).

Reimbursement basis	Budget Headings	Documents to retain with project accounts	Documents to be sent with the Final report
ACTUAL COSTS	<i>Equipment</i>	<ul style="list-style-type: none"> <li>▪ Invoices</li> <li>▪ Bank statements</li> <li>▪ Tendering procedure for expenses exceeding 25.000€</li> <li>▪ Proof that the equipment is recorded in the inventory of the institution</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invoices and three quotations from different suppliers for expenses exceeding 25.000€</li> <li>▪ Any prior authorisation from the Agency</li> </ul>
	<i>Subcontracting</i>	<ul style="list-style-type: none"> <li>▪ Subcontracts</li> <li>▪ Invoices</li> <li>▪ Bank statements</li> <li>▪ Tendering procedure for expenses exceeding 25.000€</li> <li>▪ Tangible outputs/products*</li> </ul>	<ul style="list-style-type: none"> <li>▪ Subcontracts, invoices and three quotations from different suppliers for expenses exceeding 25.000€</li> <li>▪ Any prior authorisation from the Agency</li> </ul>
UNIT COSTS	<i>Staff</i>	<ul style="list-style-type: none"> <li>▪ Formal employment contract</li> <li>▪ Joint Declaration</li> <li>▪ Time sheets</li> <li>▪ Salary slips*</li> <li>▪ Agendas*</li> <li>▪ Attendance / Participant lists*</li> <li>▪ Tangible outputs/products*</li> <li>▪ Minutes of meetings*</li> </ul>	<ul style="list-style-type: none"> <li>▪ No supporting documents should be sent with the Final report, except for any prior authorisation from the Agency</li> </ul>
	<i>Travel and Costs of Stay</i>	<ul style="list-style-type: none"> <li>▪ Individual Travel Report (ITR)</li> <li>▪ Invoices, receipts, boarding passes*</li> <li>▪ Agendas*</li> <li>▪ Attendance / Participant lists*</li> <li>▪ Tangible outputs/products*</li> <li>▪ Minutes of meetings*</li> </ul>	<ul style="list-style-type: none"> <li>▪ No supporting documents should be sent with the Final report, except for any prior authorisation from the Agency</li> </ul>
<p><b>For all grants, a Certificate on the financial statements and underlying accounts ("Report of Factual Findings on the Final Financial Report – Type II") must be sent with the Final report (see Annex VII of the Agreement).</b></p>			

\* Examples of supporting documents. Please note that in the case of unit costs this list cannot be exhaustive as it depends on the actual outputs of the project and the quality of the documentation provided. As a general rule, please keep all possible results to be able to show-case your activities.

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- E+ Programme guide 2020:
  - [https://ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-programme-guide-2020\\_en](https://ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-programme-guide-2020_en)
  - CBHE Projects (project management, contractual docs, reporting, dissemination and visual identity):
  - [https://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2020\\_en](https://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2020_en)
  - [Covid-19 affected activities](#)

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**KEEP  
CALM  
AND THANK**

**YOU FOR**

**YOUR ATTENTION**