



# AGORA 2.0: FINANCIAL MANAGEMENT

Carsten Beyer

Greifswald, 12 February 2010

# CONTENT

- 1) First Level Control
- 2) Eligibility of Cost
- 3) Public procurement
- 4) Cost Sharing
- 5) Reporting

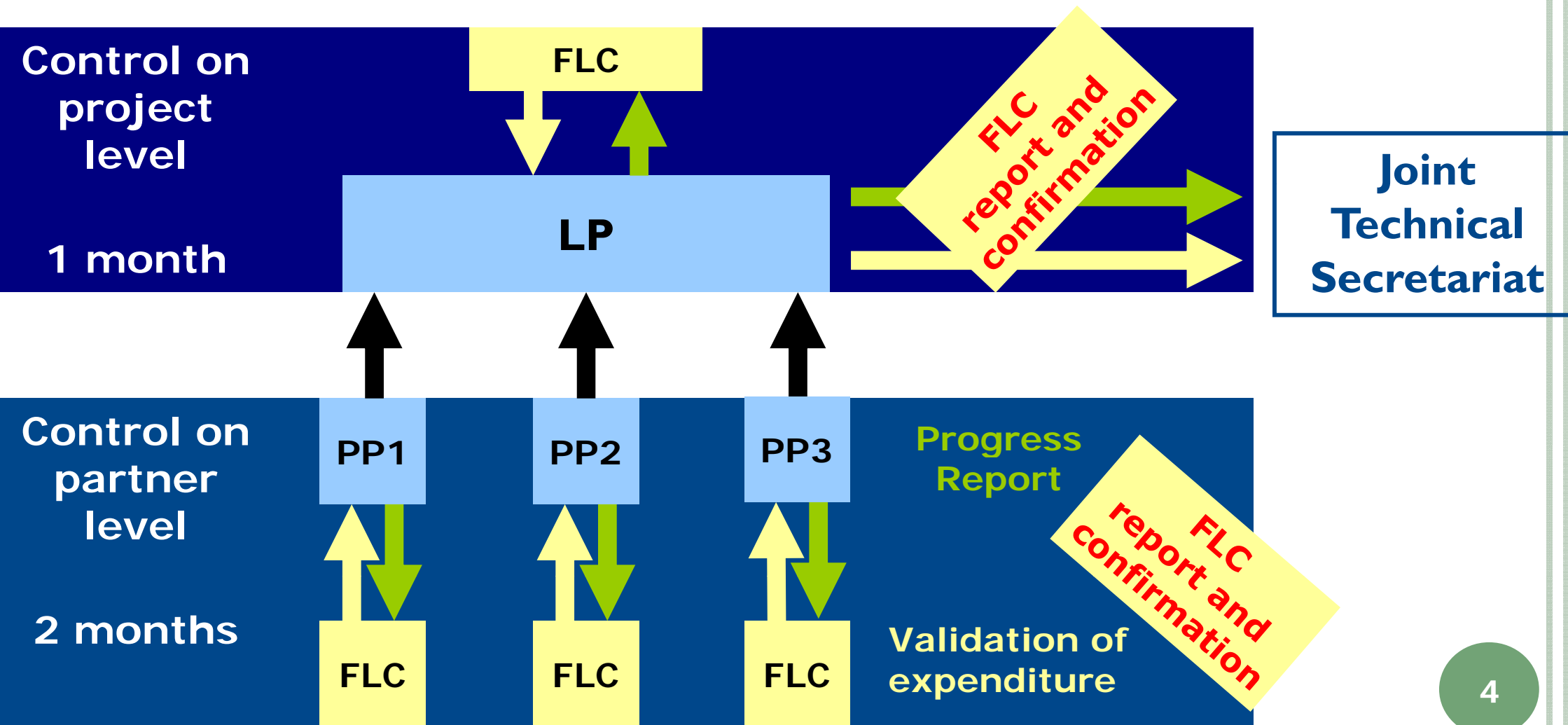


# CONTENT

- 1) **First Level Control**
- 2) Eligibility of Cost
- 3) Public procurement
- 4) Cost Sharing
- 5) Reporting



# FIRST LEVEL CONTROL: EVERY 6 MONTHS



# DESIGNATION OF FLC

- Centralized system (Estonia, Latvia, Poland & Sweden):  
No need for designation, no need to pay for FLC
- Decentralized or mixed FLC systems (Lithuania, Denmark, & Germany): Need for
  - Identifying FLC and
  - Obtaining a certificate of the national designation body
- Get your country-specific info from the BSR website:  
[http://eu.baltic.net/Country\\_Specific\\_Information.1397.html](http://eu.baltic.net/Country_Specific_Information.1397.html)

# TIME LINE FOR FLC

- No designated FLC



- No submission of progress report



- No reimbursement of cost

**Thus you need to find a FLC and receive the designation certificate ASAP but at the latest before the 1st progress report is due (31 July 2009)**

1) First Level Control

2) Eligibility of Cost

3) Public Procurement

4) Cost S

5) Report

Questions  
please



# CONTENT

- 1) First Level Control
- 2) Eligibility of Cost
- 3) Public procurement
- 4) Cost Sharing
- 5) Reporting



# BUDGET LINES

**BL1** – Personnel

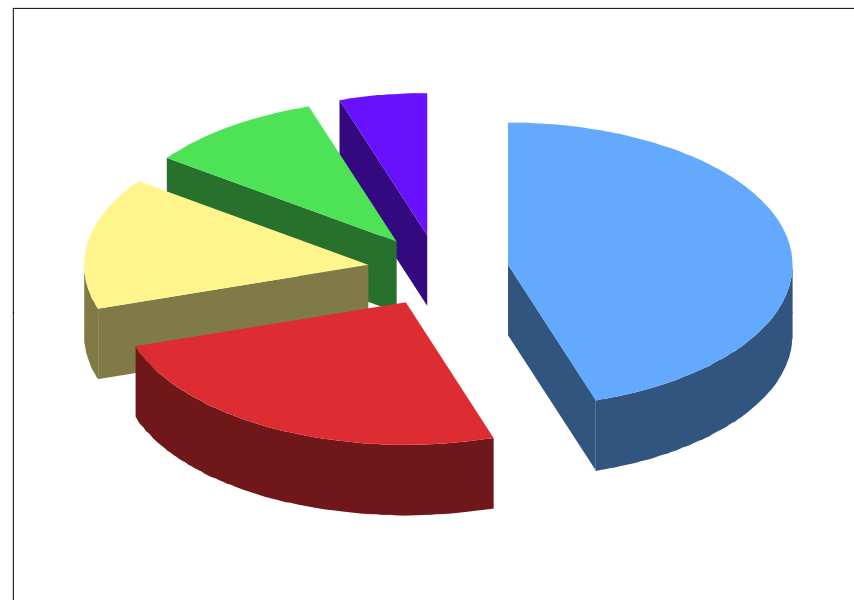
BL2 – External services

BL3 – Travel and accommodation

BL4 – Equipment and investment

BL5 – Other direct costs

Budget flexibility rule



# BL1 – PERSONNEL

## ○ Personnel costs of project staff

- Directly employed by project partners listed in the application form
- Basis: employment/labour contract
- Carrying out project activities
- Gross salary + employer's obligatory contributions on a monthly basis!

## ○ NON-ELIGIBLE

- Any voluntary remuneration and employer contribution
- Administration costs

# BL1 – PERSONNEL

## ○ Time Sheets

- Calculation methods and tools of the BSR programme
  - Time sheet for full time employee
  - Time sheet for part-time employee
- Requirements for Time Sheets
  - Separate Time Sheet for each employee (signed)
  - Recording of hours on a monthly basis (for part-time employees also hours worked on other tasks)
  - Briefly state the activities performed (remark “WP 3. 2” or “Activity 3.2.2” would be sufficient) - reference to WP is important

# BUDGET LINES

BL1 – Personnel

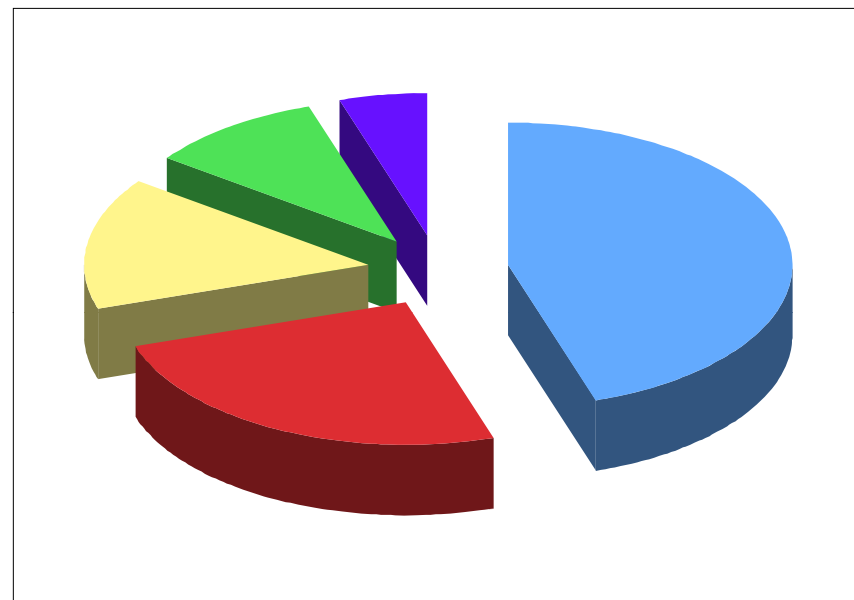
**BL2 – External services**

BL3 – Travel and accommodation


BL4 – Equipment and investment

BL5 – Other direct costs

Budget flexibility rule



## BL2 – EXTERNAL SERVICES

- Expenses paid by project partners to external providers  
→ External = not employed by project partner institutions
- Basis:
  - Contracts of work, supply contracts, service contracts
  - Invoices/requests for reimbursement.
- Public procurement!
- NON-ELIGIBLE 
  - Contracting between project partners
  - Recoverable VAT is not eligible  
(status was declared in the Application Form)

# BUDGET LINES

BL1 – Personnel

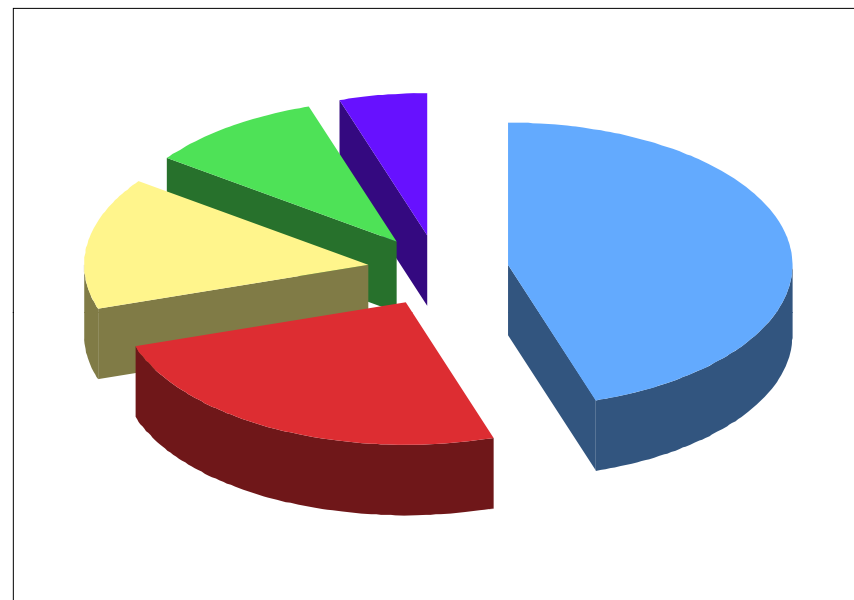
BL2 – External services

**BL3 – Travel and accommodation**

BL4 – Equipment and investment

BL5 – Other direct costs

Budget flexibility rule



## BL3 – TRAVEL AND ACCOMMODATION

- Travel and accommodation + subsistence allowances
- Essential for project activities
- Most economic way of transport
- Observe national and institutional internal rules!
- Prior approval of travels outside the programme area and the EU!

# BUDGET LINES

BL1 – Personnel

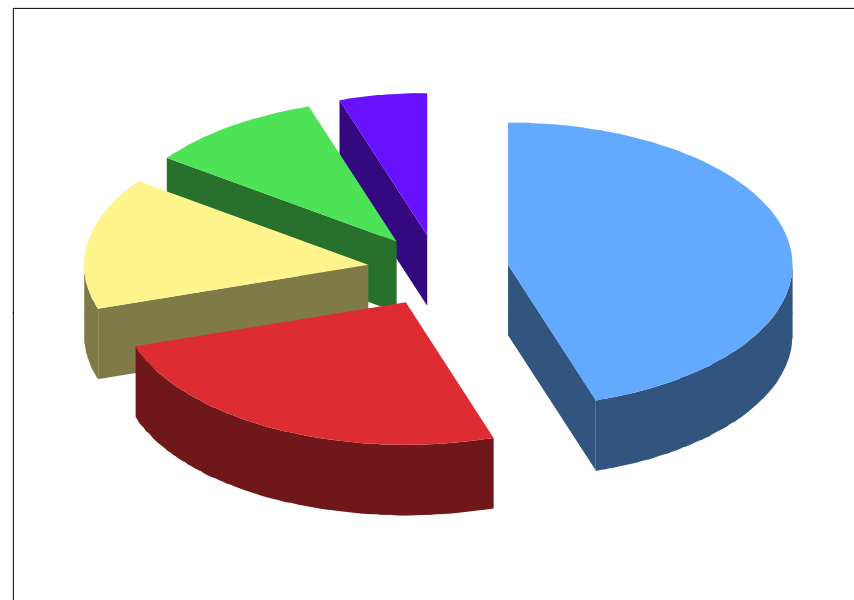
BL2 – External services

BL3 – Travel and accommodation

**BL4 – Equipment and investment**

BL5 – Other direct costs

Budget flexibility rule



# BL4 – EQUIPMENT AND INVESTMENT

## EQUIPMENT

- Tool/device to carry out project activities
- Not used by project target group after completion of activities
- Depreciation costs only!

## INVESTMENT

- Result of project activities
- Used by project target group after completion of activities
- Not relevant for PHC project

# BUDGET LINES

BL1 – Personnel

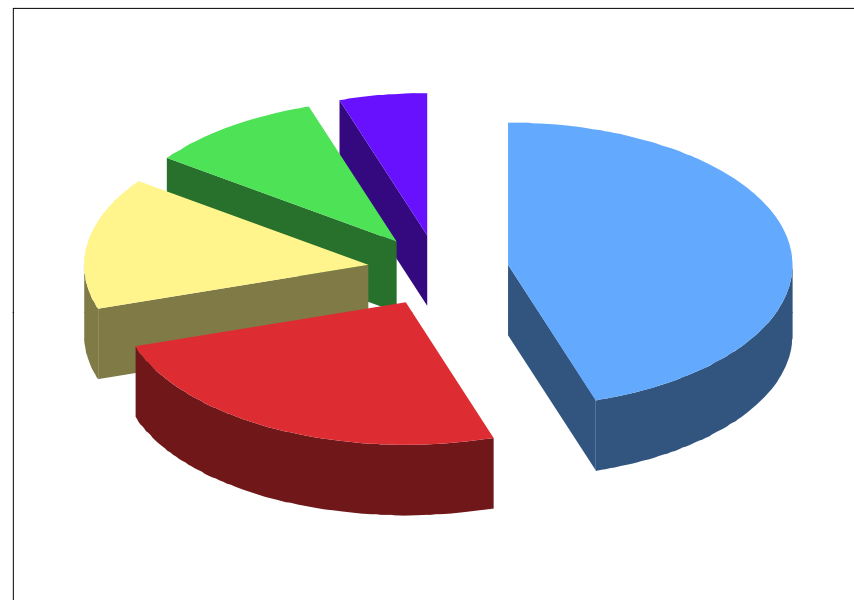
BL2 – External services

BL3 – Travel and accommodation

BL4 – Equipment and investment

**BL5 – Other direct costs**

Budget flexibility rule



# BL5 – OTHER DIRECT COSTS

## ○ ELIGIBLE

- Transnational transfer charges and bank charges
- Participation fees for external events
- Direct office running costs

## ○ NON-ELIGIBLE



- Overheads!
- Any general costs allocated on a percentage or pro rata basis
- Debit interest and exchange rate losses

# BUDGET LINES

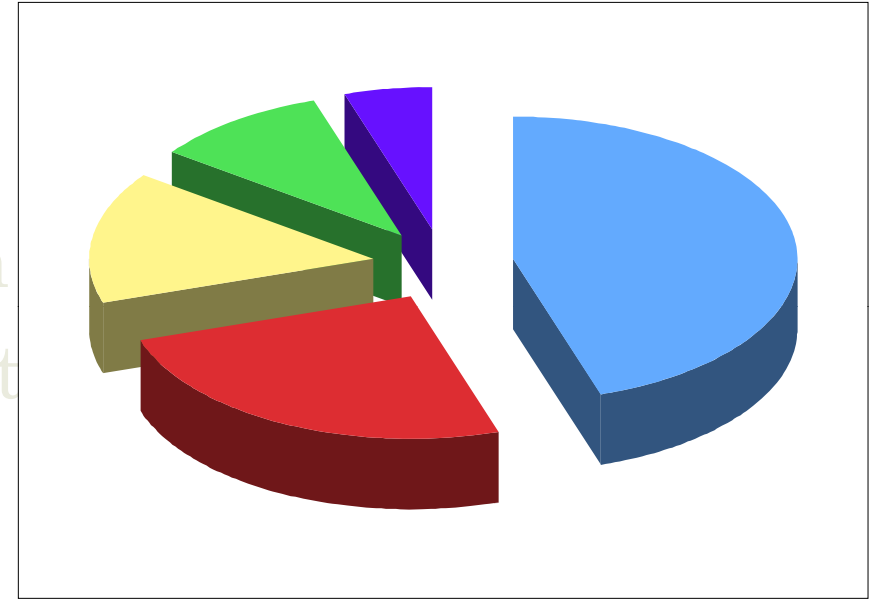
BL1 – Personnel

BL2 – External services

BL3 – Travel and accommodation

BL4 – Equipment and investment

BL5 – Other direct costs



**Budget flexibility rule**

# BUDGET FLEXIBILITY RULE

	BL1	BL2	BL3	BL4	BL5	Total
WP1						Flexibility
WP2						Flexibility
WPn						Flexibility
Total	Flexibility	Flexibility	Flexibility	Flexibility	Flexibility	<b>Total budget</b>

➔ Reallocated amount (cumulated since project start)  
 **$\leq 20\%$  or 40,000 EUR, whichever is higher**

○ NOT POSSIBLE



- Changes of equipment/investment items
- Changes between project partners' budgets



1) First Level Control

2) Eligibility of Cost

3) Public Procurement

4) Cost Savings

5) Reporting

Questions  
please



# CONTENT

- 1) First Level Control
- 2) Eligibility of Cost
- 3) **Public procurement**
- 4) Cost Sharing
- 5) Reporting



# PUBLIC PROCUREMENT

- Launch your tenders at an early stage, procurement takes time
- Programme requirements:
  - Transparency, equality, objectivity
  - You have to obey institutional, regional, national and EU regulations
- In any case: For contracts above € 1,000 apply the “Bid-at-three rule” (applicable mainly for BL 2 & BL 4)
- Only if public procurement procedures are observed costs for goods, services and works will be considered eligible by the FLC for funding under the BSR Programme!

# PUBLIC PROCUREMENT: BID@3

- Value of purchase **below** the institutional, national and Community thresholds

**but**

- Value of purchase **above** 1,000 EUR excl. VAT
- Collection of 3 offers
- Proper documentation

bid@3

# PUBLIC PROCUREMENT: THRESHOLDS

- Thresholds vary a lot, Community threshold for service contracts is € 200,000 (net)
- Below that threshold numerous national, regional and institutional thresholds exist
- Thus normally national, regional and institutional regulations need to be applied
- If none is applicable bid@3

- 1) First Level Control
- 2) Eligibility of Cost
- 3) **Public procurement**
- 4) Cost Sharing
- 5) Report

Questions  
please



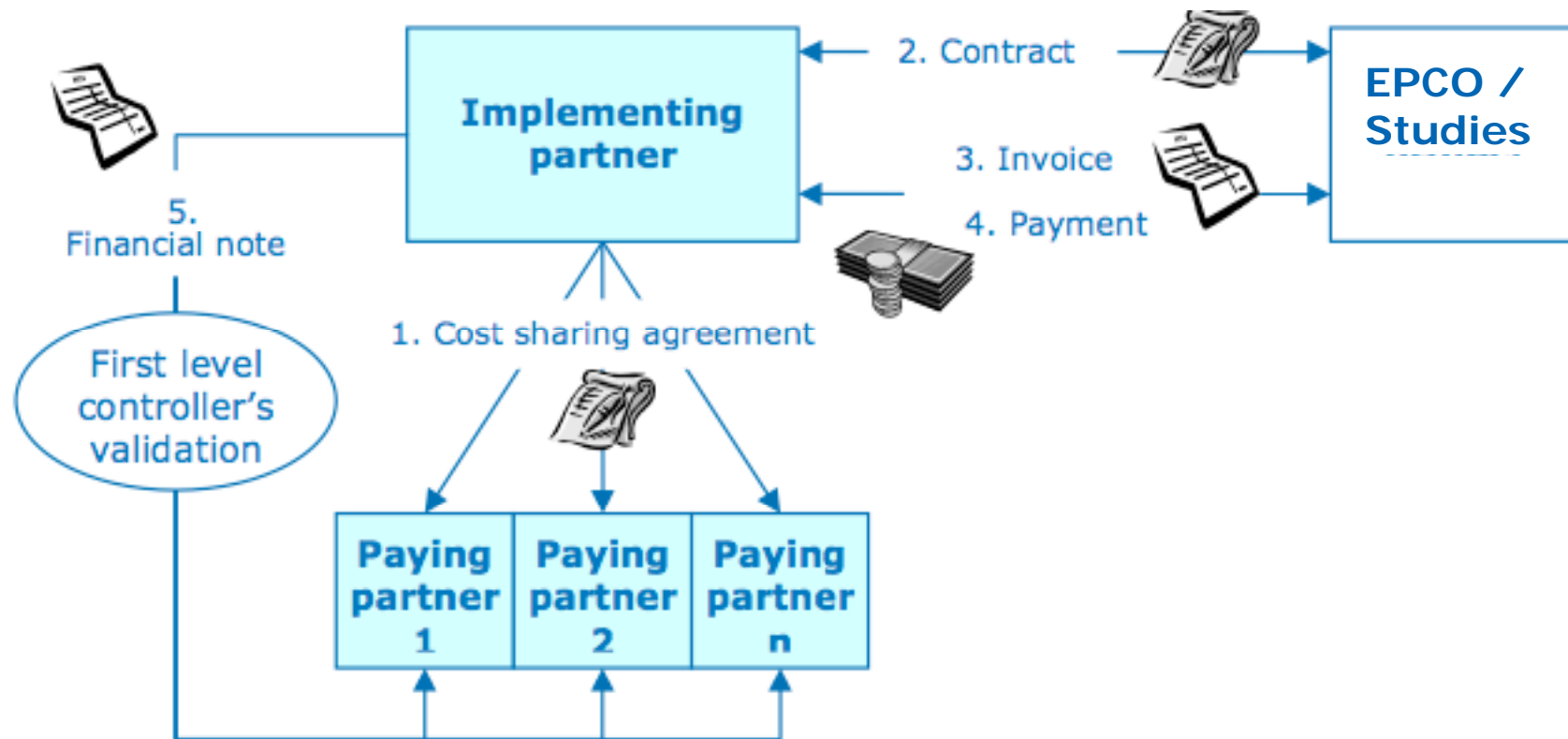
# CONTENT

- 1) First Level Control
- 2) Eligibility of Cost
- 3) Public procurement
- 4) **Cost Sharing**
- 5) Reporting



# COST SHARING

From the cost sharing agreement to the financial note





- 1) First Level Control
- 2) Eligibility
- 3) Public
- 4) **Cost Sharing**
- 5) Reporting

Questions  
please



# CONTENT

- 1) First Level Control
- 2) Eligibility of Cost
- 3) Public procurement
- 4) Cost Sharing
- 5) Reporting



# FINANCIAL REPORTING:

Costs cannot be reported without:

- Partnership agreement
- Validation by the First Level Controller
- First Level Control designation certificate

# FINANCIAL REPORTING:

- Pre-filled templates (to be sent to you in May)
- Reported expenditures must follow the principle of real costs
- Amounts must be denominated in EURO and rounded to two digits after decimal point
- Don't remove the Excel protection - contact Carsten / Betina for any problem related to the form

# FINANCIAL REPORTING:

Eligible net amount [national currency]	Eligible VAT [national currency]	Nat. curr.	Exchange rate [1 EUR = ?]	TOTAL amount paid [EUR]	ERDF amount paid [EUR]	Payment date	Work package & budget line	Exp. outside EU?
				0.00				
				0.00				

- VAT: only if it cannot be recovered by any means
- National currency: official currency code
- Exchange rate: monthly accounting exchange rate of the European Commission (4 digits after decimal point)
- WP & BL: drop-down list
- Expenditure outside EU: YES/NO

# FINANCIAL REPORTING:

- Specification of External Services / Equipment / Investment according to Project Data Form
- Shares of common costs are not reported by the single PP but only by the LP for all PP
- Revenues must be also reported and will be deducted

- 1) First Level Control
  - 2) Eligibility
  - 3) Public
  - 4) Cost Sharing
  - 5) Reporting
- Questions please



# SOURCES OF INFORMATION / CONTACTS

- Programme Manual: Download from the BSR website:  
[http://eu.baltic.net/Programme\\_document.98.html](http://eu.baltic.net/Programme_document.98.html)
- For country-specific questions: Your national contact point:  
[http://eu.baltic.net/Country\\_Specific\\_Information.1397.html](http://eu.baltic.net/Country_Specific_Information.1397.html)
- The AGORA 2.0 website
- Any time your Financial Manager

