



- Guidelines for financial management**
  - **Eligible costs**
  - **Co-funding**
  - **Budget transfers**
  - **Actual vs. Unit costs**
  - **Equipment**
  - **Subcontracting**
  - **Staff costs**
  - **Travel and Stay**
- Financial supporting documents**
- Partnership agreement**



## Eligible costs

- ✓ Incurred during the **eligibility period** (*15-01-2021 to 14-01-2024*)
- ✓ Included in the proposal and **necessary** for project implementation
- ✓ Identifiable and **verifiable** (accounting records of the beneficiary)
- ✓ Comply with the requirements of applicable tax and national **legislation**
- ✓ They are **reasonable**, justified and efficient

**Ineligible costs** (*e.g. furniture, mobile phones, repairs, activities in 3<sup>rd</sup> countries, exchange losses, ...*)



## Co-funding principle

### **Grant (combination of actual costs/unit costs):**

Calculated so as to require co-funding to implement the project

### **Co-funding:**

- other expenses (e.g. overhead costs, furniture for labs) or higher expenditure than unit cost values
- not taken into account for the calculation of the Grant
- requested with final report for information purposes

***Amount of the Grant  $\neq$  Total costs of the project***



## Budget transfers

- ✓ Budget may be adjusted by transfers between general budget headings (up to 10%)
- ✓ Justifiable with regards to the objectives and overall funding of the project
- ✓ The total grant can never be exceeded
- ✓ Ceilings: Staff (40%);  
Equipment (30%);  
Subcontracting (10%)

## Overall Project Budget

### ANNEX III of Grant Agreement

#### *Maximum Grant contribution to the project costs*

<b>1. Staff Costs</b>	<b>326 549.00</b>
<b>2. Travel Costs</b>	<b>129 260.00</b>
<b>3. Costs of Stay</b>	<b>192 360.00</b>
<b>4. Equipment Costs</b>	<b>196 800.00</b>
<b>5. Subcontracting Costs</b>	<b>28 800.00</b>
<b>6. Exceptional Costs</b>	<b>0.00</b>
<b>Total Grant requested from the European Union</b>	<b>873 769.00</b>



## Types of costs

- ✓ **ACTUAL COSTS**: based on the principle of the expenses actually incurred (*equipment; sub-contracting*)
- ✓ **UNIT COSTS**: a fixed contribution which is multiplied by the specific number of units to cover the costs related to the implementation of a specific activity or task. It is not necessary to justify the costs actually incurred, but to prove that the activity has been properly implemented (*staff, travel and stay*)

\* *Both types require specific supporting documentation*

### Examples:

- *In a **travel activity for teaching** purposes, the teaching activity should be sufficiently documented (participation lists, certificate of attendance,...)*
- *Staff costs for the elaboration of **manuals** must be backed up by the presence of results, copyrights respected and contents correspond to what was proposed in the application*



## Equipment costs

- ✓ Equipment costs will be reimbursed on the basis of the eligible costs actually incurred (*actual costs*)
- ✓ Exclusive for partner country higher education institutions
- ✓ Recorded in the inventory of the institution
- ✓ All equipment purchased with the Erasmus+ CBHE funds must bear an Erasmus+ sticker provided by the Agency
- ✓ VAT is not considered as an eligible project cost. Therefore, the measures for the exemption should be launched sufficiently in advance to the purchase

VAT exemption letter



## Equipment costs

- ✓ Follow principles of **transparency** and equal treatment of potential contractors and avoid conflicts of interests
- ✓ Equipment purchase  $\geq 25\,000$  EUR: **tendering process**, collect offers from at least 3 suppliers and retain the one offering best value for money
  - Each tendering procedure must contain at least the following elements:
    - Invitation to tender
    - Tender specifications
    - Minutes of the tender opening
    - Tender evaluation report from the evaluation committee
    - Commercial offers
  - Beneficiaries must clearly document each tendering procedure and retain all the documentation in particular for audit purposes



## Equipment costs

### Supporting documents

- ✓ Invoice(s) and bank statement(s) for all purchased equipment
- ✓ For equipment with a total value of more than EUR 25.000, a copy of the invoice(s), documents of the tendering procedure and the competitive offers from 3 suppliers
- ✓ Proof that the equipment is recorded in the inventory of the institution



## Subcontracting costs

- ✓ Subcontracting costs will be reimbursed on the basis of the eligible costs actually incurred (***actual costs***)
- ✓ Only those **tasks identified** in the proposal
  - ✓ *Publishing of teaching books*
  - ✓ *Promotional booklets*
  - ✓ *Translation services*
  - ✓ *External auditory*
  - ✓ *External evaluation*
- ✓ Subcontracting must be done on the basis of a **contract**, including date, project number and signature of both parties
- ✓ **Beneficiaries** and their staff members are **not allowed** to be subcontracted



## Subcontracting costs

### Supporting documents

- ✓ Invoices, subcontracts and bank statements
- ✓ In the case of travel activities, copies of travel tickets, boarding passes, invoices and receipts
- ✓ Tangible outputs/products



## Exchange rates to be applied – Art I.4.6

Reporting period 1: **from month 1 to month 21**

Reporting period 2: **from month 22 to month 36**

General accounts  
NOT EURO

Average rate  
in the corresponding  
reporting period

General accounts  
EURO

Usual accounting  
practice in your  
Institution

It means 2 different exchange  
rates over the project duration





## Exchange rate

Beneficiaries and affiliated entities with general accounts in a currency other than the euro must convert costs incurred in another currency into euros at the average of the daily exchange rates published in the C series of the *Official Journal of the European Union*, determined over the corresponding reporting period (available at <http://www.ecb.europa.eu/stats/exchange/eurofxref/html/index.en.html>).

If no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion must be made at the average of the monthly accounting rates established by the Commission and published on its website ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)), determined over the corresponding reporting period.



## **Staff costs**

- ✓ Staff \* costs are calculated by multiplying the **unit cost** (corresponding to the applicable category of country and staff) by the total number of days spent on the implementation of the project per staff member
- ✓ **Staff categories** (*based on the nature of the work done*):
  - ✓ *Managers (legislators, senior officials and managers)*
  - ✓ *Researchers, teachers and trainers (RTT)*
  - ✓ *Technical staff (technicians and associate professionals)*
  - ✓ *Administrative staff (secretarial duties)*
- ✓ Declared working days per individual will **not exceed** 20 days per month or 240 days per year

\* *Existence of a formal employment relationship between the employee and the beneficiary institution*



## Unit costs for staff

### PARTNER COUNTRIES

	Manager	Teacher/Trainer /Researcher	Technician	Administrative staff <sup>5</sup>
	<i>AMOUNTS IN EURO PER DAY</i>			
Israel	166	132	102	92
Albania, Argentina, Bosnia and Herzegovina, Brazil, Chile, Colombia, Kosovo <sup>6</sup> , Lebanon, Libya, Mexico, Montenegro, Peru, Serbia, Territory of Ukraine as recognised by international law, Thailand, Uruguay, Venezuela	108	80	57	45
Afghanistan, Azerbaijan, Bolivia, China, Costa Rica, Ecuador, El Salvador, Georgia, Guatemala, Iran, Iraq, Jordan, Kazakhstan, Morocco, Palestine <sup>7</sup> , Panama, Paraguay, South Africa, Territory of Russia as recognised by international law	77	57	40	32
Algeria, Armenia, Bangladesh, Belarus, Bhutan, Burma/Myanmar, Cambodia, Cuba, (DPR) Korea, Egypt, Honduras, India, Indonesia, Kyrgyzstan, Laos, Malaysia, Maldives, Moldova, Mongolia, Nepal, Nicaragua, Pakistan, Philippines, Sri Lanka, Syria, Tajikistan, Tunisia, Turkmenistan, Uzbekistan, Vietnam, Yemen	47	33	22	17



## Staff costs

### Supporting documents

- ✓ Formal **employment contract** between the employee and the employer
- ✓ **Joint Declaration (JD)** signed by the person performing the activity, countersigned and stamped by the responsible (e.g. rector, dean) in the institution
- ✓ **Time-sheets (TS)** attached to each JD, signed by the person concerned and countersigned by the responsible in the institution
- ✓ Any **material evidence** to verify that the declared workloads correspond to actual activities/outputs (e.g. attendance lists for lectures, tangible outputs / products, etc.)



## JOINT DECLARATION (1/2)

### JOINT DECLARATION

Ref. No.....

Project No. ....

The reference number must correspond to the progressive numbering indicated in the financial statements of the final report

FROM .....

Hereinafter "the Institution" \*

AND

Name: .....

Address: .....

Hereinafter "the Staff member" \*

#### THE INSTITUTION AND THE STAFF MEMBER HEREBY CERTIFY THAT:

1. The Institution is a member of the partnership for the above-mentioned project.
2. The Staff member is either:
  - employed by the Institution YES/NO
  - or  
- a natural person \*\* assigned to the project on the basis of a contract against payment YES/NO
3. The Institution and Staff member agree that the Staff member has worked on this project and performed the following duties during the project's eligibility period.

*dd/mm/yy*

*dd/mm/yy*

<b>FROM</b>		<b>TO</b>	
-------------	--	-----------	--

Please describe the outputs produced (short overall indication since detailed information has to be given in the accompanying time-sheet):

.....



## JOINT DECLARATION (2/2)

4. Please complete the following information.

Staff category (Manager / Researcher, Teacher, Trainer / Technician / Administrative staff)	
Country of the Institution	
Number of days worked and charged to the project (according to time-sheet)	

5. This declaration does not alter in any way the employment conditions/assignment already existing between the Institution and the Staff member and is established solely for the purpose of justifying the Staff costs that the Institution will charge to the Erasmus+ Capacity Building in Higher Education grant.

Done in .....

Date .....

Name .....

Function .....

Institution .....

Staff member name .....

Signature and Stamp of the Institution

Signature of the Staff member

*\*The declaration must be signed by the person concerned, then signed and stamped by the person responsible in the Institution where this person worked for the project. The Institution must be a member of the partnership.*

*\*\* A natural person (individual) can be assigned to the action also on the basis of e.g. a civil contract, a free-lance contract, an expert contract, a service contract with self-employed person ("in house consultant) or a secondment to the Institution against payment. The costs of such natural persons working under the action may be assimilated to the costs of personnel, if:*

*(i) the person works under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed); and*

*(ii) the result of the work belongs to the Institution (unless exceptionally agreed otherwise); and*

*(iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract within the institution*



## TIMESHEET

<input type="button" value="Add Row"/> <input type="button" value="Delete Row"/>		PROJECT TIMESHEET		
<b>Project number :</b>				
<b>Surname :</b>				
<b>First Name :</b>				
<b>Institution :</b>				
<b>Country :</b>				
<b>Position :</b>				
<b>Staff Category :</b>				
Year	Month	Number of Days	Work Package	Description of tasks performed and outputs produced
<b>Total days:</b>		<b>0</b>		

Signature of the staff member :

Signature of the person responsible in the institution (where the staff member is employed) :



## Travel and Stay costs

**Unit costs** calculated taking into account the travel distance (for *travel costs*) and the duration in days (for *costs of stay*).

### Supporting documents

- ✓ **Individual Travel Report (ITR)**
- ✓ **Travel tickets**, boarding passes with points of departure and destination, dates and name of the person travelling, invoices, receipts,
- ✓ **Proof of attendance** in meetings and/or events, agendas, tangible outputs/products, minutes of meetings).
- ✓ It will **not** be necessary to prove the **actual cost** of the travel.



## Unit costs for travel

*Travel distances calculator*

([http://ec.europa.eu/programmes/erasmus-plus/tools/distance\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm))

Distance	Travel Costs (EUR)
0 KM and 9 KM	0
10 KM and 99 KM	20
100 KM and 499 KM	180
500 KM and 1999 KM	275
2000 KM and 2999 KM	360
3000 KM and 3999 KM	530
4000 KM and 7999 KM	820
8000 KM or more	1500



## Unit costs for stay

Based on the duration of the activities of the participants

<u>STAFF</u>	Unit cost per day per participant
Up to the 14 <sup>th</sup> day of activity +	120 EUR
Between the 15 <sup>th</sup> and the 60 <sup>th</sup> day of activity +	70 EUR
Between the 61 <sup>st</sup> day of activity and up to 3 months	50 EUR

Unit costs for **staff**  $\neq$  unit costs for **students**



## TRAVEL COSTS (*Example*)

*4 meetings, 25 participants each, destination 2500 km =360 €*

	Unit costs	Real costs	Reimbursed to project staff	Balance (UC-RC)
Travel 1	360	310	?	
Travel 2	360	520	?	
Travel 3	360	200	?	
...	...	...	...	
Travel 100	360	300	?	
<b>Scenario 1</b>				
<b>TOTAL</b>	<b>36.000</b>	<b>37.000</b>		<b>-1.000</b>
<b>Scenario 2</b>				
<b>TOTAL</b>	<b>36.000</b>	<b>35.000</b>		<b>+1.000</b>



## Overview of supporting documents per budget headings

Reimbursement basis	Budget Headings	Documents to retain with project accounts	Documents to be sent with the Final report
ACTUAL	<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	<i>Staff</i>	<ul style="list-style-type: none"> <li>▪ Formal employment contract</li> <li>▪ Joint declaration</li> <li>▪ Time sheets</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>

Keep originals (*auditing*)

Send readable scanned copies to the coordinator

Audit certificate with the Final report



## Partnership Agreement

- A Partnership Agreement is a commitment **complementary to the Grant Agreement** signed with the Executive Agency and to the mandates signed by each beneficiary
- Partnership Agreement must be **signed by the coordinating institution and the beneficiaries**. It must be provided to the Executive Agency within 6 months of the signature of the Grant Agreement.



### Visual identity, logos and disclaimers

More information in the Grant Agreement (Annex II of the Partnership agreement) and in the following link:

<https://cbhegranholders2021.eu/resources>