

# Innovative Finance Inclusion in Academia and Field

619453-EPP-1-2020-1-IL-EPPKA2-CBHE-JP

Kick-Off Meeting 24-26/11/2020



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# Budget Planning



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Estonian  
Business  
School  
Tallinn University



Deusto  
Universidad de Deusto  
University of Deusto



Bezalel  
Academy of  
Arts and Design  
Jerusalem

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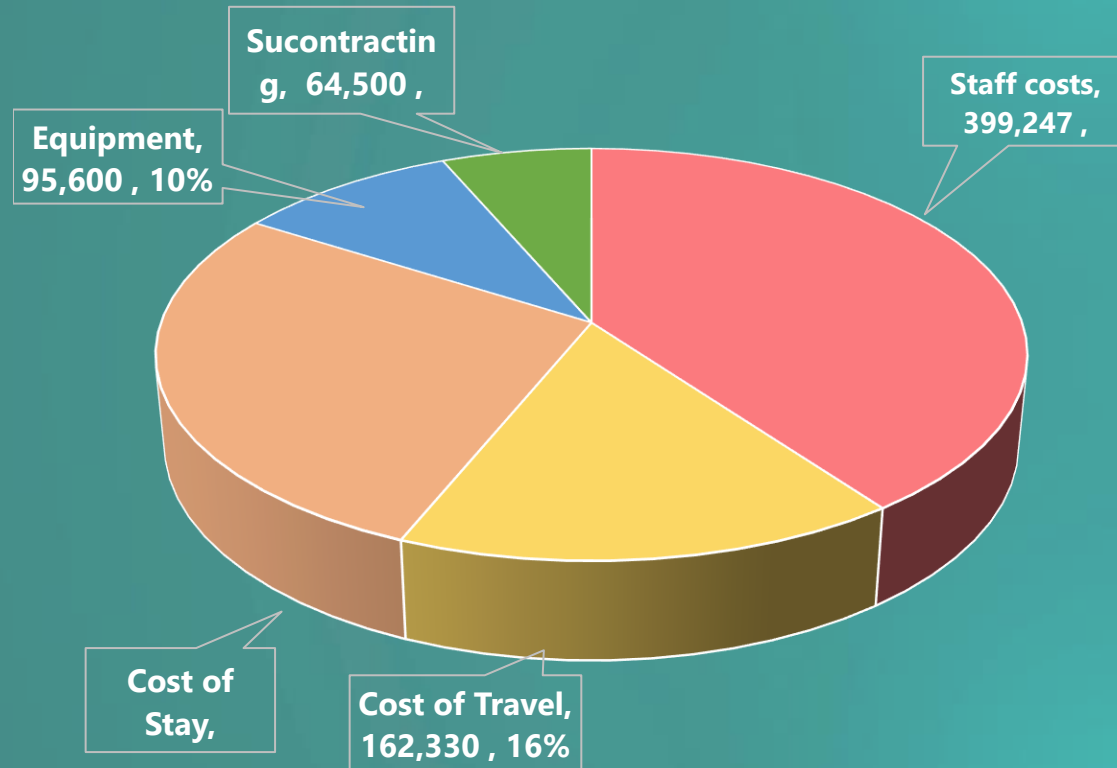
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# IFI Budget



Institution	Budget €
The Academic College of Tel Aviv Yaffo	130,788
Sapir Academic College	93,354
Kibbutzim College of Education	94,024
The Hebrew University of Jerusalem	96,160
Bezalel Academy of Art and Design	95,990
Tel Hai College	95,412
National Union of Israeli Students	50,694
European Foundation for Management Development	62,278
Ruprecht-Karls-Universität Heidelberg	58,554
University of Deusto	53,900
Erasmus Universiteit Rotterdam	63,409
Università degli Studi di Padova	58,413
SA Estonian Business School	46,621
<b>Total</b>	<b>999,597</b>



# Budget Planning

- 3 year project
- Partner budget (project Grant + Co-financing) by budget headings:
  - **Staff costs:** how many working days are needed for each category (manager, researcher, technician, administrative) in each month.
  - **Travel costs & costs of stay:** how many travel will you have? To where? For how many participants?
  - **Equipment:** what type of equipment is needed and when?
  - **Subcontracting:** what type of additional expenses are planned? When? For what purpose?
  - **Co-Financing:** about 10% of the Grant. Can be applied in all budget headings. Should be planned in the project budget.



# Budget Planning

Staff costs	Max 40% of grant
Travel costs	N/A
Costs of stay	N/A
Equipment	Max 30% of grant
Sub-contracting	Max 10% of grant

According to the guidelines, it is possible to adjust the estimated budget (detailed-budget):

Increase < 10% with no prior authorization

Increase > 10% Legal amendment is needed. The ceilings (for staff, equipment and subcontracting) cannot be exceeded.

**In the IFI project, a partner cannot exceed the allocated budget (in any budget heading) without prior authorization from the coordinator.**

# Budget headings & reporting



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# Actual Costs: Equipment & Subcontracting



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# Equipment



- Relevant to the objectives of the project and based on the project budget.
- Total purchase cost (not depreciation).
- Exclusively for Partner Country Higher Education Institutions.
- Installed as soon as practically possible.
- Recorded in inventory of institution where it is installed.
- Labelled with E+ stickers.



\* Hiring of equipment may be considered eligible only in exceptional and duly justified circumstances, provided that prior written authorisation has been given by the Agency.

- Not eligible: furniture, motor vehicles, telephones, mobile phones, alarm systems and anti-theft systems etc.



# Equipment Supporting Documents

**To keep with project records (may be requested in case of financial monitoring):**

- Invoice(s) and bank statement(s) for all purchased equipment (please note that order forms, pro-forma invoices, quotations or estimates are not considered as proof of expenditure).
- **Proof** that equipment is recorded in inventory of the institution.
- The beneficiaries may not split the purchase of equipment into smaller contracts below the threshold.
- > EUR 25.000 < EUR 134.000: tendering procedure and three quotations from different suppliers.
- > EUR 134.000: tendering procedure according to national legislation.



# Subcontracting

- **Implementation of specific tasks, by third party, to which a contract is awarded** by one/several beneficiaries.
- **Specific, time-bound, project-related tasks which cannot be performed by Consortium members.** It includes self-employed / free-lance experts.
- tasks to be subcontracted must have been identified in the proposal.

## **Examples (provided that not carried out by beneficiaries' staff):**

- Evaluation activities/auditing (Audit Certificate on Financial Statement)
- Printing, publishing and dissemination activities
- Translation services
- Web design and maintenance
- Professional recording and editing of webinars



# Subcontracting Supporting Documents

**To keep with project records (may be requested in case of financial monitoring):**

- Invoice(s), contracts and bank statement(s).
- Subcontracting must be done on the basis of a contract, which should describe the specific task being carried out and its duration. It must include a date, project number and the signature of both parties. Beneficiaries and their staff members are not allowed to operate in a subcontracting capacity for the project.
- Tangible outputs/products.



# Subcontracting Supporting Documents

## cont.

- Travel activities of subcontracted service provider: copies of travel tickets, boarding passes, invoices and receipts.
- The beneficiaries may not split a contract into smaller contracts below the threshold.
- the declared costs must be identifiable and verifiable, in particular being recorded in the accounting system of the beneficiary.
- **> EUR 25.000 < EUR 134.000:** tendering procedure and three quotations from different suppliers.
- **> EUR 134.000:** tendering procedure according to national legislation.

# Unit Costs: Staff Costs & Travel Costs



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# Staff

**\* The existence of a formal employment relationship between the employee and the beneficiary institutions is required. The employee must be part of the payroll system of the beneficiary institution.**

- The unit costs to be applied for Staff costs are based on the type of staff category and the country in which the staff member is employed. Each unit cost corresponds to an amount in Euro per working day per staff .

Country	Manager	Researcher/Trainer/Teacher	technician	Administrative Staff
Israel	166 €	132 €	102 €	92 €
Netherlands	294 €	241 €	190 €	157 €
Belgium, Germany, Italy	280 €	214 €	162 €	131 €
Spain	164 €	137 €	102 €	78 €
Estonia	88 €	74 €	55 €	39 €



# Staff

- The staff category to be applied will **depend on the work to be performed** in the project and **not on the status or title of the individual**.
- The calculation of the grant is based **exclusively on the application of the unit costs** and is independent from the actual remuneration of the staff involved.
- The grant for staff costs is **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. One working day is defined according to the applicable national legislation.
- Declared working days per individual will not exceed 20 days per month or 240 days per year
- Beneficiaries **do not need to justify the actual cost of the activity** or to provide supporting documents on the actual amount spent. The supporting documents **will have to demonstrate that the volume and/or the nature of the activities actually implemented, justify the number of unit costs charged to the grant.**



# Staff Costs Supporting Documents

**To keep with project records (may be requested in case of financial monitoring):**

- **Joint Declaration for each person employed on each staff category per period (*EACEA template*).**
- **Time-sheets (*EACEA template*. attached to each staff convention), indicating number of days worked for corresponding month/year, description of tasks , outputs produced and related work package.**
- **Evidence justifying workload and activities/outputs (e.g. attendance lists, tangible outputs / products, etc.).**
- **Proof of contractual employment**

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

FROM

TO

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

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

Ref No. = Partner Number-employee initials-running numbers  
 Ref No. (example) = 1-VH-1; 1-VH-2; 1-VH-3

Project No. = 619453

Signed & stamped

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Add Row		Delete Row		PROJECT TIMESHEET	
Project number :					
Surname :					
First Name :					
Institution :					
Country :					
Position :					
Staff Category :					
Year	Month	Number of Days	Work Package	Description of tasks performed and outputs produced	
Total days:		0			
Signature of the staff member :			Signature of the person responsible in the institution (where the staff member is employed) :		

Project No. = 619453

For each staff category per person, produce different timesheet

Signed by the staff member & the person responsible in the institution

\* Attach evidence justifying workload and activities/outputs



# Travel Costs & Costs of Stay

- Costs of travel and stay for staff\* and students participating in activities directly related to the achievement of the project

**\* *The existence of a formal employment relationship between the employee and the beneficiary institutions is required in order to participate to any travel.***

- Travel distances must be calculated using the distance calculator supported by the European Commission [https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator\\_en](https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_en)

Distance band	Unit cost per participant
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

## ***COSTS OF STAY<sup>9</sup>***

Costs of stay are based on the duration of the activities of the participants.

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



# Travel Costs & Costs of Stay

- Unit costs to apply 3 variables: **travel distance** (for travel costs), **duration for costs of stay** and **type of participant**.
- **Purpose of travel:**
  - STAFF**
    - Teaching/training assignment
    - Training and retraining purposes
    - Updating programmes and courses
    - Practical placements in companies, industries and institutions
    - Project management related meetings
    - Workshops and visits for result dissemination purposes

## Justification for the following elements:

- Journeys actually took place
  - Journeys connected to specific and identifiable project-related activities
- \* Prior authorisation for activities not taking place in countries represented in the partnership
- \* Prior authorisation for activities not described in the Guidelines



# Travel Costs & Costs of Stay Supporting Documents

**To keep with project accounts (may be requested in case of financial monitoring):**

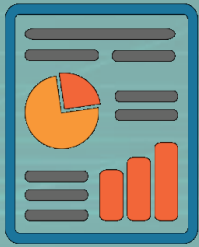
- Individual Travel Report (*EACEA template*) + supporting documents (e.g. travel tickets, boarding passes, invoices, receipts, proof of attendance in meetings and/or events, agendas, tangible outputs/products, minutes of meetings).

# Administrative & Financial Procedures



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# Reporting

**Reporting System & templates:** The EACEA will provide a reporting system and templates that will enable us to control the project costs on a regular basis. Once this reporting system will be received by the coordinator, it will be distributed to all IFI partners.

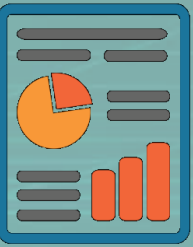
**All beneficiaries must report to the coordinator** on all expenditures budgeted by the grant.

**Originals** kept by beneficiaries.

**Copies** kept by coordinator and submitted with Final report.

In case of financial audits, or if doubts on implementation of any particular activity or expenditure, the Agency may request corresponding supporting documents.

**IFI monthly report: on the 15<sup>th</sup> of every month.**



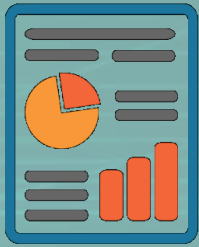
# Exchange Rate

**Transactions  $\neq$  EUR must be converted and reported in EUR in the Financial Statements.**

Beneficiaries with general accounts in currency other than euro, must convert costs incurred in other currency into euros at the average of the daily exchange rates published in the Official Journal of the European Union, determined over the corresponding reporting period, available at:

[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)

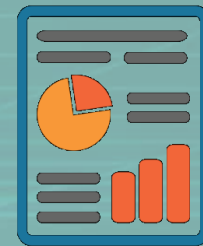
Beneficiaries with general accounts in euros must convert costs incurred in another currency into euros in accordance with their usual accounting practices.



# Eligible Costs

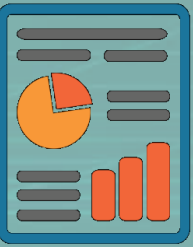
Costs actually incurred by the beneficiary which meet the following criteria:

- a. they are **incurred during the eligibility period**, with the exception of costs relating to the preparation of the final report and the corresponding supporting documents;
- b. they are **foreseen and included in Annex III** of the Agreement;
- c. they are incurred **in connection with the action are necessary for its implementation**;
- d. they are **identifiable and verifiable**, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary;
- e. they comply with the requirements of applicable tax and national legislation;
- f. they are **reasonable, justified, and comply with the principle of sound financial management**, in particular regarding economy and efficiency.



# Ineligible Costs

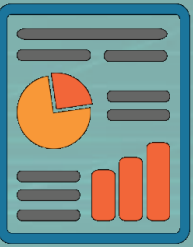
- **equipment** such as: furniture, motor vehicles of any kind, equipment for research and development purposes, telephones, mobile phones, alarm systems and anti-theft systems;
- **costs of premises** (purchase, rent, heating, maintenance, repairs etc.); please note that the rent of premises for short events is not concerned;
- costs linked to the purchase of real estate;
- expenses for activities that are not carried out in the project beneficiaries' country, unless an explicit prior written authorisation has been granted by the Agency;
- depreciation costs;
- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- doubtful debts;
- **exchange losses**;
- costs of transfers from the Agency charged by the bank of a beneficiary;
- costs declared by a beneficiary in the framework of another action receiving a grant financed from the Union budget;
- contributions in kind from third parties;
- excessive or reckless expenditure;
- deductible VAT, unless the coordinator can provide an official document from the competent authorities proving that the corresponding costs cannot be recovered.



# Contracts and Tendering

The beneficiaries may not split the purchase of equipment into smaller contracts below the threshold (25,000 EUR) in order to avoid launching a formal tendering procedure.

For **tendering procedure** see section 3.2.5.2. of the Guidelines to the Use of the Grant.



# Co-Financing

Co-financing contribution provided by the partnership will not need to be justified or demonstrated at final report stage.

Practically, this means that **no proofs of expenditure or supporting documents will be required by the Agency for this part of the project budget.**

At final report stage and for statistical purposes only, the partnership will be invited to provide an indication on the level and source of co-financing that contributed to the project results.

In IFI project, we expect the partners to inform us about co-financing throughout the project on an annual basis.

# Pre-Financing

**IFI financial management:** the coordinator transfers the share of pre-financing to the partners. The partners are responsible to manage their budget.

**1<sup>st</sup> pre-financing payment = 50% of the Grant.**

**IFI 1<sup>st</sup> payment procedure:** signed Partnership Agreement & Bank details + an official request for payment are transferred to the coordinator.

**2<sup>nd</sup> pre-financing payment = 40% of the Grant.**

**IFI 2<sup>nd</sup> payment procedure:** budget is utilized + reports and supporting documents are submitted as requested on time + an official request for payment are transferred to the coordinator.

**Final grant (10%):** determined following examination of financial statements and eligibility of activities implemented and declared expenses.

# Publicity

Any communication, publication or output resulting from the project must indicate that the project has received European Union funding. It must carry the Erasmus+ logo and mention: "Co-funded by the Erasmus+ Programme of the European Union".

**Disclaimer.** Any publication should mention the following sentence:  
*"This project has been funded with support from the European Commission. This publication [communication] reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein"*

# Publicity

All IFI publications will be based on IFI templates.

The templates are available on IFI website: <https://www.ifi.mta.ac.il/>

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# Responsibility

- It is the beneficiaries' responsibility to read and follow the Grant Agreement and the Erasmus+ Programme Guide.
- Specific issues can be addressed to the project officer only by the project coordinator.

# Contacts

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