



Basic guidelines for management

BUILD UP Skills

BRICKS

Building Refurbishment with Increased Competence, Knowledge and Skills

IEE/711/SI2.680175



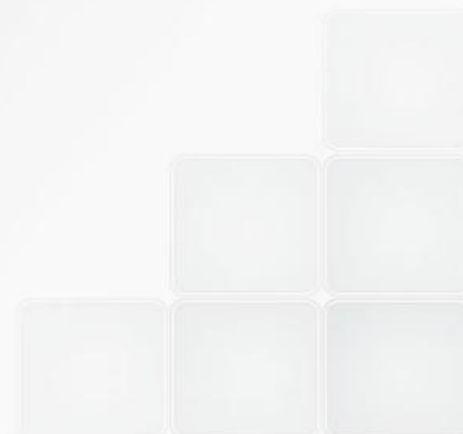
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Kick off meeting

1st an 2nd October 2014

Rome



15 partners

- mostly private organizations
- different level of experience in management of funded projects

AND a lot of “associate partners”

Useful link:

http://ec.europa.eu/energy/intelligent/managing-projects/day-to-day-management/index_en.htm

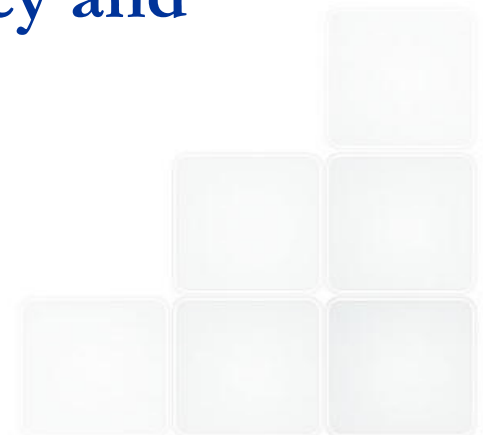


Contractual topics: key issues



Receiving public money for an IEE project means meeting certain obligations in the day-to-day management of a project, for instance as regards technical and financial reporting, and communication.

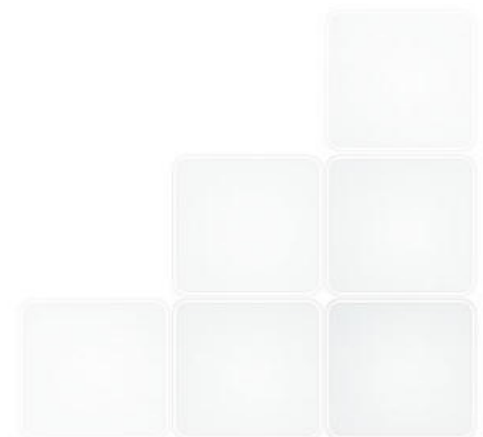
The terms are all clearly laid down in the grant agreement signed by the EASME and the project beneficiaries in order to ensure transparency and accountability.



The coordinator must submit *technical* and *financial* reports according to the agreed time schedule.

Let's read the contract!

Follow the description of the action carefully!



Contractual topics: key issues

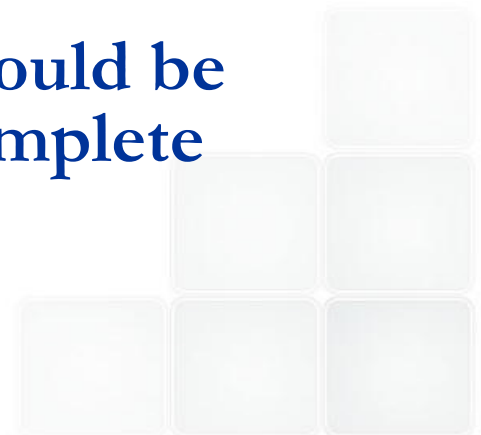


Prepare your contribution for the **reports** recording undertaken actions, dissemination activities, meetings, number of man-hours spent, etc

Keep track!

The coordinator needs to check your documents before the submission to EC, so please send your inputs in advance!

Interim and final costs of all the partners should be sent with the report as one package. Incomplete reports will not be evaluated.



- **Progress report 1-9 month (submission month 10)**
- **Interim report 1-18 month (submission month 19)**
- **Final report within 60 days after the end of the project**

Some key points:

- **Deviations from the project work plan**
- **Indicative state of advancement of hours spent since starting date per partner and per work package**
- **Progress regarding deliverables**
- **Progress regarding performance indicators**



The approval or a payment delay will start to run as of the moment that the 'originals' & the 'electronic' version of the reports have been received by EASME.

EASME may suspend the approval and the payment delay

- when the delivered report(s) is/are not complete OR
- when it requires additional supporting documents or justification/information

The coordinator will have a new deadline to submit additional information/documents or (a) new report(s). (*Usually 20 days*)

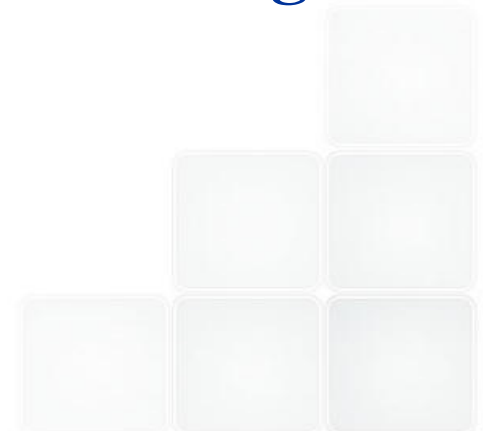


Amendments and budget transfer



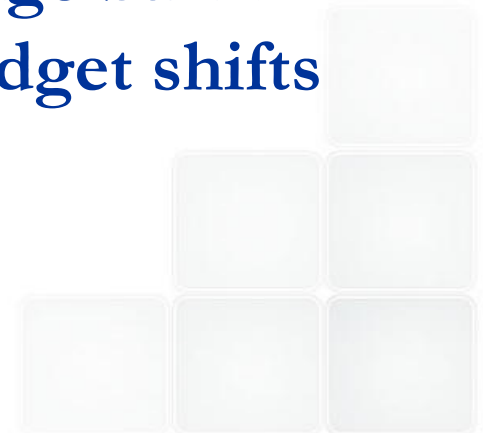
Changes can only be agreed in writing

Amendments must be requested to the EASME in good time **BY THE PROJECT RESPONSIBLE/LEGAL RESPONSIBLE OF THE COORDINATOR** before it is due to take effect and in any case one month before the closing date of the action



Different type of amendments depending on degree of changes:

- **Supplementary agreement ('Contract Amendment')**
 - Substantial changes e.g. change in consortium, substantial changes Annex I/II,
- **Exchange of letters ('Letter Amendment')**
 - Small, but important changes e.g. change bank account, change reporting schedule, budget shifts > 20%, ...



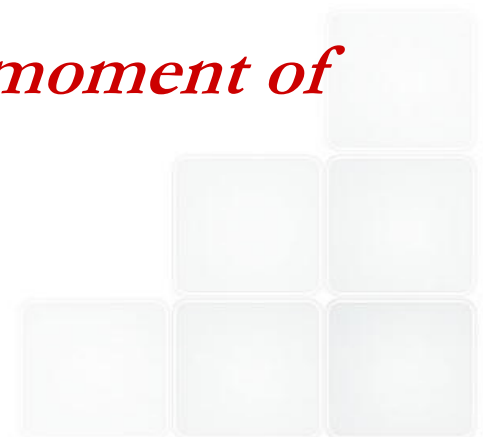
Amendments and budget transfer



- Exchange of e-mail
 - Minor changes: modification of address, change of legal representative, ...

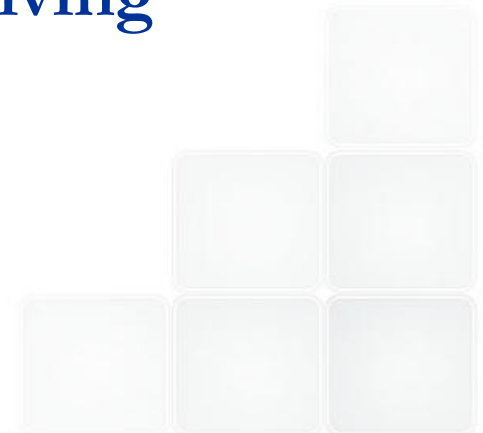
*Substantial change to the grant agreement
requires a bi-lateral agreement and an
amendment*

*We shall not forget to inform at the moment of
the final report*



Budget shifts do not require an amendment if:

- The shifts do not affect the implementation of the action
- The shift between cost categories *does not exceed 20%* of the total eligible costs of the beneficiary concerned
- The shift between beneficiaries *does not exceed 20%* of the total eligible costs of the receiving beneficiary



Contractual topics: key issues



All the partners must keep proper accounts and supporting documents to justify as necessary all costs incurred and generated by the action.

Original documents, especially accounting and tax records, or in exceptional and duly justified cases, certified copies of original documents relating to the agreement (stored on any appropriate medium that ensures their integrity in accordance with the national legislation) *must be kept for five years after the date of payment* of the balance of the Community contribution.

Cost Categories



Eligible costs:

- Direct costs
- Indirect costs

Direct costs:

- Staff costs
- Subcontracting
- Travel and subsistence costs
- Other specific costs

Indirect costs = “Overhead” costs



Cost Categories



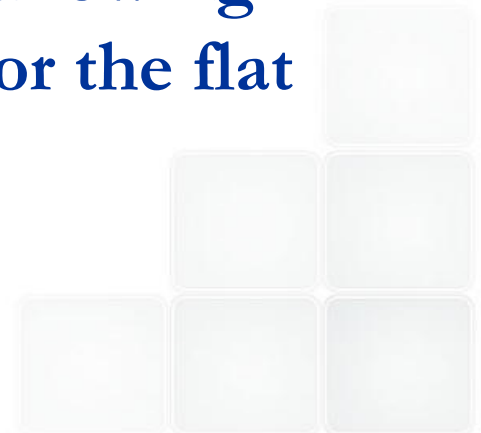
Elegible costs must:

- relate to the purpose of the action;
- be included in the estimated budget (Annex II)
- be necessary for the fulfilment of the action
 - be generated during the duration of the action
(except final reports & audit certificates: 2 months more)
- be reasonable, justified, consistent with the usual internal rules of the participant, and in accordance with the principle of sound financial management, especially cost-effectiveness and “value for money”;



Direct eligible costs must:

- be actually incurred by the participant and recorded in the accounts of the participant no later than the grant agreement completion date (except costs final reports / audit certificates);
- be compliant with the requirements of applicable tax and social legislation;
- be substantiated by proper evidence allowing identification and checking (except for the flat rate indirect costs).

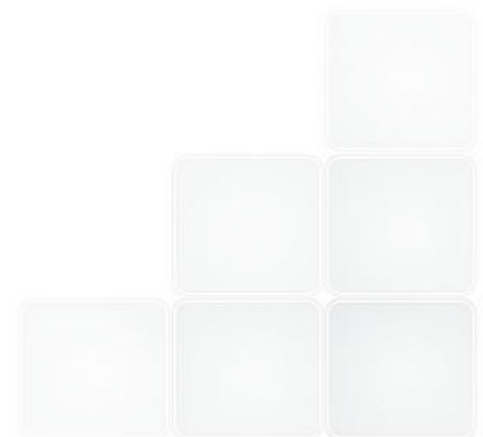


Cost Categories



INDIRECT COSTS: Flat rate 60%

- No need to be substantiated by accounting documents
- Automatically computed as 60% of the total direct staff costs



NOT eligible costs :

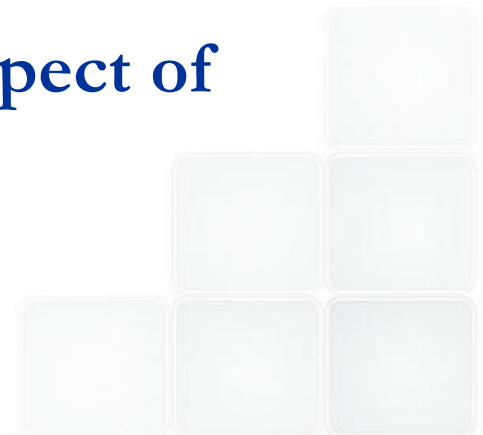
- Notional costs, i.e. revaluation of buildings/capital equipment, estimated or imputed interest, estimated rentals
- value of contributions in kind (by a party who is not a signatory to the grant agreement: provides expertise, meeting rooms, brochures etc. free of charge as their contribution to the action)
- "return on capital employed", including dividends/other distributions of profits;
- provisions for losses or possible future losses or charges;

Cost Categories



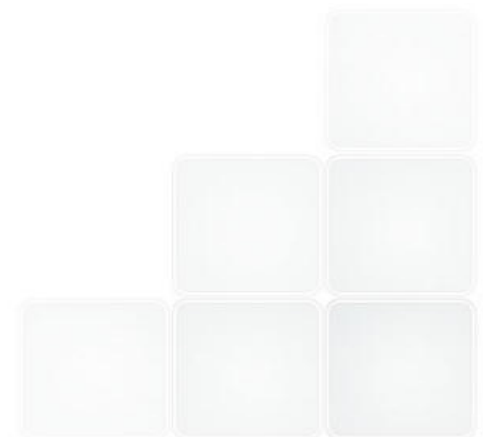
NOT eligible costs :

- debt and debt service charges;
- interest owed;
- provisions for doubtful debts;
- resources made available to a participant free of charge;
- unnecessary or ill-considered expenses, excessive or reckless expenditure;
- any cost incurred or reimbursed in respect of another Community grant;
- exchange losses



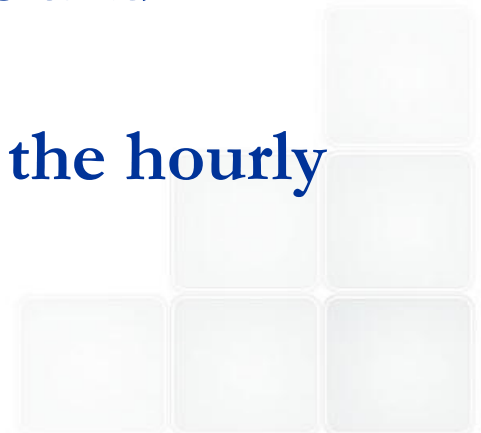
NOT eligible costs :

- VAT, unless a certificate from the national tax authorities certifying that VAT cannot be recovered is submitted



Elegible costs for *personnel*:

- Only costs of actual hours worked to be recorded in timesheets
- Only costs related to persons on the payroll of the beneficiary
- Only costs related to persons directly working on the project
- Only actual salaries plus social charges and other statutory costs included in the remuneration can be used to calculate the hourly rate.



Secretarial/administrative/managerial costs are deemed to be included in the indirect costs

- Specific bonuses paid out only for participation in EU projects are not eligible
- Substantial deviations from the average cost of similar labour in the country concerned must be evidenced

Hourly rates of Contract Preparation Forms do not constitute accepted rates!



Cost Categories: Staff costs



Only the hours worked on the project can be considered as eligible costs under your grant agreement.

Working time must be recorded throughout the duration of the project using *timesheets*, adequately supported by evidence of their reality and reliability.

Employees have to record their time on a daily, weekly, or monthly basis using a paper or a computer-based system.

A timesheet format is available on IEE website



Cost Categories: Staff costs



Timesheet must meet at least the basic requirements:

- Full name of beneficiary
- Full name and signature both of the employee and supervisor
- Project number must be indicated;
- Amount of hours claimed on the IEE project

It shall not only record the time spent on a specific project, but shall reconcile the total working time

- The timesheets must be reconcilable with the absences for holidays, illness, travels or others.

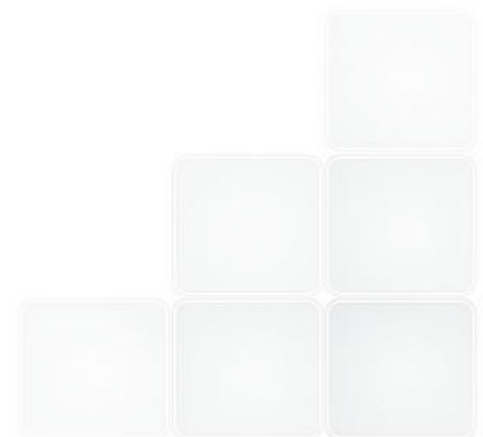


Cost Categories: in-house consultants



In-house consultants deliver '*external services*' and are in principle to be considered under the 'subcontracting' cost category.

However : costs of consultants (i.e. natural (physical) persons) who join the beneficiary's project team maybe classified *under staff costs*, regardless of whether the consultants are self-employed or employed by a third party

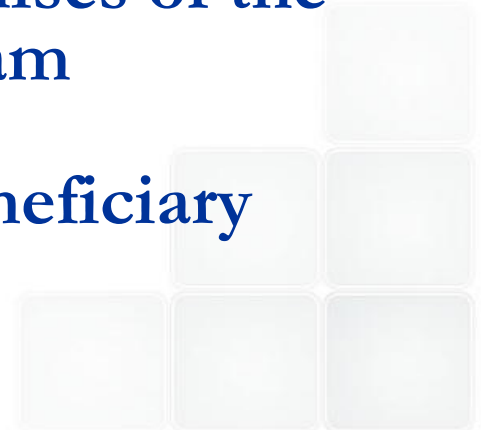


Cost Categories: in-house consultants



Criteria for in-house consultant:

- The consultant/person has a contract to work for the beneficiary and (some of) that work involves tasks to be carried out under the IEE grant agreement
- The consultant/person works under direct instructions/supervision of the beneficiary
- The consultant/person works in the premises of the beneficiary as a member of the project team
- The output of the work belongs to the beneficiary

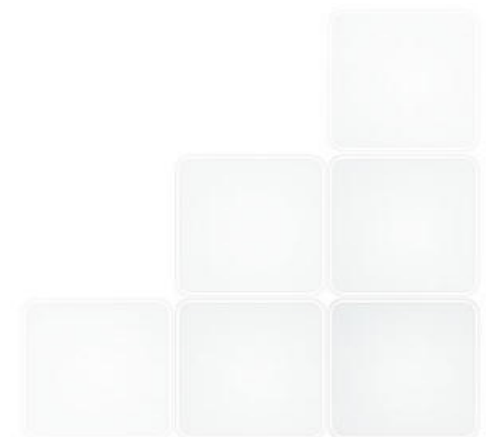


Cost Categories: in-house consultants



The costs of employing the consultant/person should be reasonable and in accordance with the normal practices of the beneficiary

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Cost Categories: subcontracting



- No formal limits (but only for limited tasks)
- Co-ordination tasks cannot be fully subcontracted
- *Value for money: competitive selection process necessary*
- Follow company rules
- *Where no company rules exist – ask three offers*

- If not budgeted prior agreement is necessary before subcontracting (tasks to be subcontracted need to be in Annex I)
- Subcontract has to show reference to IEE project, clearly specify the tasks
- Travel costs of subcontractors are part of subcontract
- Results of subcontracts have to be made available to project

Cost Categories: travel



Recommendation:

- **Let's organize meetings in advance**
- **book flights and accommodation early to reduce costs**

People attending meetings should play distinct roles

- **Apply company policy**

KEEP copy of invoices / expenses



Cost Categories: other costs



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Other costs do not include:

- consumables
 - Toner, office supplies, paper, photocopies, etc. (included in indirect costs, not to be charged as direct costs)

Three biggest invoices to be submitted with cost statement

They should be “Related to the action”, “reasonable”



6 Project meetings

WP leaders and at least 1 representative from each partner shall participate

Objective:

- to monitor the performed work; Progress regarding deliverables
- to identify problems and possible corrective actions; exchange experience, etc



Meetings



Periodic web meetings / conference calls (monthly meetings) will be held

THANK YOU !!!

