



Provincia di Ancona

GOES PROJECT – 070401/2010/579105/SUB/C4

Civil Protection Preparedness & Prevention

Financial Instrument

Financial and Administrative Issues





Project Partnership

Coord. Beneficiary (CO) and Assoc. Beneficiary (ABs)

- | | |
|----|---|
| CO | <ol style="list-style-type: none">1) Project coordinator, solely legally and financially responsible for full implementation of the project measures and single point of contact for the Commission.2) It receives funds from the Commission and distributes appropriate amounts to the ABs. |
| AB | <ol style="list-style-type: none">1) Directly involved in technical implementation of one or more tasks.2) Grants power of attorney to CO through a signed mandate to act in their name and for their account. |



Partnership Agreement (PA) 1



CO and AB conclude a Partnership Agreement describing technical and financial participation (collaboration) in the project.

The Partnership Agreement, once signed by all partners, has to be notified to the Commission within 3 months from the starting date of the project.

It rules roles, responsibilities and deadlines in the execution of the project work plan.



Partnership Agreement (PA) 2



The PA is structured as follows:

Reference to the Grant Agreement (annexed to the Partnership Agreement)

Tasks, actions and estimated eligible costs of the project tasks/actions

Legal and administrative provisions (roles and obligations of CO and ABs, Publicity, conflict of interest, reporting)

Financial provisions (funding and co-financing, CO and Abs budget, payment terms)



Common obligations for CO and ABs



The CO and ABs:

Contribute financially to the project with a 25% co-financing.

Shall not have a profit, i.e. income (from Eu-funding, contributions from the co-financer(s) or other income) exceeding costs incurred.

Are not allowed to act, in the context of the project, as sub-contractor or supplier to CO or other Abs.

Maintain up-to-date books of account and keep supporting documents for expenditure and income throughout the project and 5 years after the end of the project → CO keeps copies of ABs supporting documents.



Sub –contractors



Person or organisation providing external services to CO/ABs

Involved in specific tasks of a fixed duration

CO/ABs pay for services → sub-contractor can make profit!

Private CO/ABs must award the contract to the bid offering best value for money.

Public CO/AB must award sub-contracts in accordance with the applicable rules on public tendering.



Budget Breakdown



BENEFIC.	TOTAL BDG	PERSONNEL	TRAVEL	EQUIP.	SUBCONTR.	OVERH.
PROVAN	160.000,0	60.000,00	16.044,00	17.000,00	62.950,00	956,00
RM	59.000,00	27.000,00	10.564,00	3.000,00	14.000,00	1.436,00
FCVRE	70.000,00	42.000,00	8.694,00	1.200,00	6.500,00	2.006,00
PLV	83.000,00	24.508,00	9.492,00	17.000,00	29.000,00	1.000,00
IITC - BAS	80.000,00	38.930,00	7.035,00	1.000,00	30.000,00	2.035,00
SM	73.000,00	25.642,00	8.358,00	19.000,00	15.000,00	1.000,00
TOTAL	525.000,0	218.080,00	60.187,00	58.200,00	157.450,00	8.433,00



Budget Pre-financing



BENEFIC.	TOTAL BUDGET	(75%) EU CONTRIB.	25% OWN CONTRIB.	PRE-FIN. 60%	BALANCE 40%
PROVINCE OF ANCONA (CO)	160.000,00	120.000,00	40.000,00	72.000,00	48.000,00
MARCHE REGION (AB1)	59.000,00	44.250,00	14.750,00	26.550,00	17.700,00
FCVRE (AB2)	70.000,00	52500,00	17.500,00	31.500,00	21.000,00
POLICIA LOCAL DE VALENCIA (AB3)	83.000,00	62.250,00	20.750,00	37.350,00	24.900,00
IITC - BAS (AB4)	80.000,00	60.000,00	20.000,00	36.000,00	24.000,00
SOFIA MUNICIPALITY (AB5)	73.000,00	54.750,00	18.250,00	32.850,00	21.900,00
TOTAL	525.000,00	393.750,00	131.250,00	236.250,00	157.500,00



Changes within the Grant



Substantial changes require prior written amendment.

Request must be submitted at the latest 2 months before the end of the project in these cases:

- Significant changes to the nature or content of actions and/or deliverables;
- Changes of the legal status of CO/AB;
- Changes to the project partnership structure;
- Changes to the duration of the project;
- Changes to the provisional project budget, increasing by more than 10% and € 30.000 the cost foreseen in one or more categories of expenditure. They shall not apply to the category of “overheads” for which the limit of 7% of the total direct costs may not be exceeded.



Payment modalities



GOES has already received a 60% pre-financing of an amount of € 236.250,00 (1° instalment). → The CO will transfer the pre-financing to all ABs after the PA signature.

The balance (final payment) shall be paid after the approval of the final technical report and the statement of expenditure and income, within 105 days from approval (unless comments are required).



Eligible cost (1)



Directly linked and necessary for the project.

Reasonable and compliant with the principles of sound financial management “value for money”.

Compliant with applicable tax and social legislation.

Actually incurred during lifetime of action (exception: cost of bank guarantee if required).

Identifiable and verifiable → functioning financial and analytical accounting system in place.

Without any profit.



Cost categories (1)



- **Personnel costs** → calculated on the basis of the actual gross salary or wages plus obligatory social charges and any other statutory costs. Time spent for the project must be recorded on a timely basis by means of time sheet.
- **Additional work is eligible (FINANCIAL OFFICER RESPONSE):**
 - only if the financial resources are found in the budget;
 - only if the “relevant public authority would not carry out the activities” without the project (Art. 24.2).
- **Travel and subsistence** → details required on reason/purpose, destinations, number of persons, travel costs, subsistence costs (e.g. use of per diem).



Cost categories (2)



Equipment → relating to durable goods, clear description of item required; full estimated purchase cost; participant shall apply internal rules to calculate the eligible depreciation charge (exception: for equipment acquired before the starting date of the project shall be considered as overheads cost category).

Sub-contracting/External assistance → relate to purchase of services, not of goods; respect rules on public procurement.

Other direct costs → other direct cost not falling within another defined cost category. (ex: consumables, bank guarantees).

Overheads → costs that cannot be directly and exclusively attributed to the project, e.g. communication costs, costs linked with buildings, administrative costs → Maximum amount: **7%** of total amount of eligible direct cost. They must be identifiable and justifiable in the accounting system.



Non Eligible costs



Not foreseen in the Project

Excessive expenditure: lodging in luxury hotels,
business class tickets

Interest charges

Provision on losses

*VAT (exception if the participant cannot recover
the VAT paid under the project. Proof to be
delivered)*



Reporting requirements 1



Progress reports to be submitted by coordinating beneficiary to the Commission are indicated in Guidelines (Annex II to the G.A.):

- overview of progress of the work, including a summary report, ongoing and planned activities and outputs
- Relevant comments on project management and partnership management aspects
- Financial summary of the project expenditure



Reporting requirements 2



Mid-term reports to be submitted by CO. They must contain:

- Information about: state of implementation + respect of the work plan + achievement/achievability of objectives + financial situation + statement of expenditure and income

Final report delivered within 3 months after the end of the project

- Information about: technical accomplishment of the work plan + achievement of objectives + financial situation + statement of expenditure and income + future sustainability of the project results
- The commission has 105 days to approve the reports from the reception of the documents



Reporting requirements 1



First Intermediate report 31/08/2011

Second Intermediate report 30/04/2012

Final Report 31/01/2013

N.B.: These dates will be (hopefully) validated by the EC after the communication of the start day postponement.



Important elements of financial reports



- ABs will present to the CO the forms contained in a workbook:
 - Standard payment request and financial statement as well as a declaration of interest yielded on pre-financing payment
 - Participant cost statement summary
 - Contribution of associated beneficiary/ies (other sources of funding/direct revenues)
 - General information on the expenditure incurred in the period: staff assigned to the project, travel and subsistence, equipment, sub-contracting, other direct costs.
- VAT non-recovery declaration for participants
- **NOT TO BE ANNEXED:** supporting documents such as invoices and time sheets. The Commission will request them if necessary.



Commission Financial Audit



- Audit possible at any time during the project implementation ad up to 5 years after the final payment.
- Keep all documentation required to ascertain the elegibility of the costs.
- On the basis of the conclusions, appropriate measures will be taken even recovery.



Thank you for your attention!

For any doubt (but, please, try to concentrate your questions!)

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