



# Development of Regional Joint Master Program in Maritime Environmental Protection and Management - MEP&M -

## Financial Management

### Kick-off Meeting

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23 February 2021

### Virtual meeting via Zoom application

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**Project no. 619239-EPP-1-2020-1-ME-EPPKA2-CBHE-JP**



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# Summary

- Financial relations/roles among project participants
- Project budget and financing principles (Unit costs, Actual costs, Eligible costs, Ineligible costs):
  - Staff costs
  - Travel costs
  - Costs of stay
  - Exceptional costs
- Procurement method for goods and services (Equipment, Sub-contracting)
- Reallocation of funds between budget categories
- Supporting documents for financial reporting and evaluation/audit
- Instalments from EACEA to the coordinator (UoM) vs Instalments from the coordinator to the partners
- Checks and audits by the Agency
- Reporting obligations of the coordinator vs Obligations of the partners





# Financial relations/roles among project participants

- University of Montenegro –“the coordinator” is the **sole recipient** of grant payments from the Agency (EACEA).
  - UoM manages the funds and ensures the respect of the Agency’s rules.
  - UoM will transfer respective **grant instalments to each partner** and will verify the appropriate spending of funds by the partners.
  - Follows the responsibility towards the Agency for the proper financial implementation of the project.
- Partner institutions:**
- will open a sub-account dedicated **solely for the MEP&M project**
  - will be responsible for efficient financial management and its allocation.



# Project budget for consortium

Type of costs	Budget category	€	Ceilings per category
UC	Staff Costs	331,668.00	Cannot exceed 40% of total Grant requested
UC	Travel Costs	65,180.00	
UC	Costs of Stay	123,840.00	
AC	Equipment Costs	245,000.00	Cannot exceed 30% of total Grant requested
AC	Subcontracting Costs	79,500.00	Cannot exceed 10% of total Grant requested
AC	Exceptional Costs	0.00	
<b>Total awarded grant</b>		<b>845,188.00</b>	

Estimated budget of the project

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# Unit cost vs Actual cost

**Unit cost calculated = Number of units x fixed contribution**

- Without providing justifications to prove the level of expenses.
- Without providing supporting documents when sending the financial statements.
- Have to prove that the activities have been (properly) implemented and the output produced.
- Supporting documents have to demonstrate that the volume of the activities justifies the number of unit costs charged to the grant.

**Actual cost calculated = Expenses actually incurred**

- Need to be documented, justifying the level of costs incurred.

Traceability of costs: All transactions and payments incurred in the framework of the project must be recorded in the accounting records of the beneficiary.

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## Eligible costs

- Incurred during the implementation period of the project (with the exception of costs for the preparation of the final report).
- In connection with the project action implementation and budget.
- Identifiable, verifiable, recorded in the accounting records.
- Comply with applicable taxes and national legislation.
- Identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary.
- **Reasonable, complying with 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.);
- Costs linked to the purchase of real estate;
- Expenses for activities - and related travel - that are not carried out in the project beneficiaries' country (see Annex IV), unless listed as an eligible activity in the Erasmus + Programme Guide or explicit prior authorisation has been granted by the Agency;
- Depreciation costs.

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The profile of staff involved in capacity-building projects is regrouped in four categories:

- **Managers (staff category 1)** (including legislators, senior officials and managers) carry out top managerial activities related to the administration and coordination of project activities.
- **Researchers, teachers and trainers (RTT) (staff category 2)** typically carry out academic activities related to curriculum/training programme development, development and adaptation of teaching/training materials, preparation and teaching of courses or trainings.
- **Technical staff (staff category 3)** (including technicians and associate professionals) carries out technical tasks such as book-keeping, accountancy and translation activities. External translation services and external language courses provided by sub-contracted non-consortium members should be classified as "Sub-contracting costs".
- **Administrative staff (staff category 4)** (including office and customer service clerks) carries out administrative tasks such as secretarial duties.

Actual remuneration modalities of staff involved in the project will be defined jointly by the participating organisations, endorsed by the managers responsible for their employment and will be part of the partnership agreement to be signed among the partners at the beginning of the project.

## Staff Costs

- Related for the t
- Staff member m
- Calculated for tr

bjectives.

eficiary institution.

here the action takes place.

- Which staff category should be applied depends on the **nature of work performed**, not on the status/title of the individual → **see Programme Manual, p. 312.**

- **Limit: maximum 20 working days per month or 240 per year.**

	EUR per day			
	Manager	Teacher/Trainer/Researcher	Technical staff	Administrative staff
Montenegro	108.00	80.00	57.00	45.00
Albania	108.00	80.00	57.00	45.00
Slovenia/Spain	164.00	137.00	102.00	78.00
France	280.00	214.00	162.00	131.00









## Travel Costs

- Only for travels directly related to the achievements of project objectives.
- **Include visa fee and related obligatory insurance, travel insurance and cancellation costs if justified.**
- Travels intended for:
  - project-management related meetings,
  - updating programmes and courses,
  - workshops/visits for result dissemination,
  - teaching/training assignments,
  - training and retraining purposes (for staff from Erasmus+ Partner Countries),
  - practice in companies and institutions (for staff from Erasmus+ Partner Countries).
- Use the travel distance calculator supported by the European Commission:  
[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 – 9 km	0.00
10 - 99 km	20.00
100 - 499 km	180.00
500 – 1,999 km	275.00
2,000 – 2,999 km	360.00
3,000 – 3,999 km	530.00
4,000 – 7,999 km	820.00
more than 8,000 km	1,500.00



# Costs of Stay

- Include subsistence, accommodation, local transport, personal or optional health insurance.

duration of stay	EUR per person
up to 14 days	120 EUR/day
+ from the 15 <sup>th</sup> until 60 <sup>th</sup> day	70 EUR/day
+ from the 61 <sup>st</sup> day up to 3 months	50 EUR/day

**INDIVIDUAL TRAVEL REPORT for travel costs and costs of stay**  
To be filled in by each participant  
In case of several/multiple travels, please fill in separate Individual Travel Reports.

Ref. No. .... Project No. ....  
The reference number must correspond to the progressive numbering indicated in the financial statements in the final report

**(1) PERSONAL DATA**  
Surname: ..... Forename: .....  
Home institution: .....  
Staff position/student year of study at home institution: .....

**(2) TYPE OF ACTIVITY (Tick as appropriate)**

<b>STAFF</b>	<b>STUDENTS</b>
<input type="checkbox"/> Teaching/training assignment	<input type="checkbox"/> Study period
<input type="checkbox"/> Training and retraining purposes	<input type="checkbox"/> Participation in intensive courses
<input type="checkbox"/> Updating programmes and courses	<input type="checkbox"/> Practical placements, internships in companies, industries or institutions
<input type="checkbox"/> Practical placements in companies, industries and institutions	<input type="checkbox"/> Participation in short term activities linked to the management of the project
<input type="checkbox"/> Project management related meetings	
<input type="checkbox"/> Workshops and visits for result dissemination purposes	

**(3) DETAILS OF THE TRAVEL**

<b>PERIOD*</b>	From (Depart date) (dd/mm/yy)	To (Return date) (dd/mm/yy)
<b>PLACE OF DEPARTURE**</b>	HOME INSTITUTION .....	
	COUNTRY .....	CITY .....
<b>PLACE OF DESTINATION/ LOCATION OF ACTIVITY</b>	HOST INSTITUTION .....	
	COUNTRY .....	CITY .....
<b>TRAVEL DISTANCE***</b>	Km .....	

\*Please indicate period of travel from departure to return to place of origin  
\*\* If different from Home institution please enclose authorisation from the Agency  
\*\*\* Travel distance in Km (one-way travel) using distance calculator: [https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator\\_en](https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_en) from place of departure to location of activities

**(4) DETAILS OF THE ACTIVITY**

**DATES (excluding travel)** From (date): ..... To (date): .....

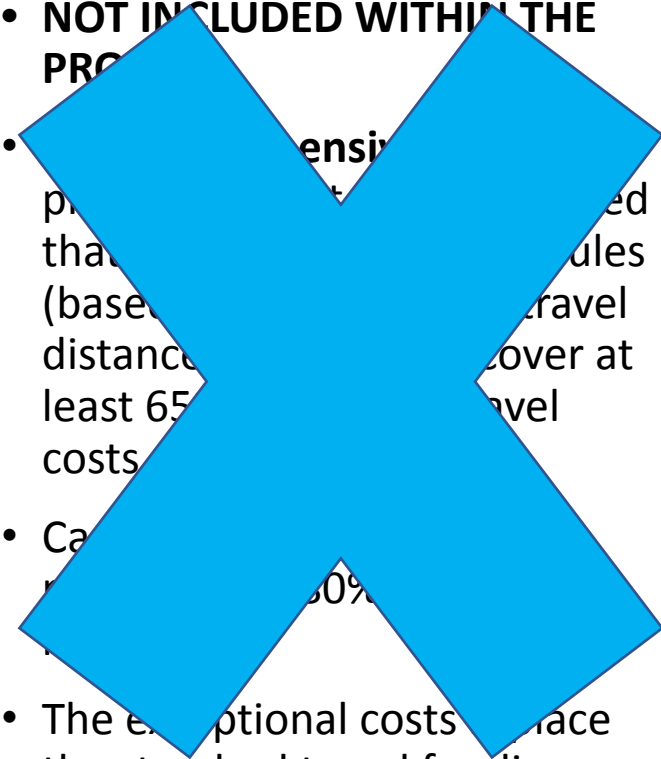
**DESCRIPTION OF ACTIVITY(IES) PERFORMED (brief description of the activities performed)**  
.....  
.....  
.....

**SIGNATURE OF THE PARTICIPANT**  
I hereby declare that I have been carrying out the above-mentioned activities.

Date: ..... Signature: .....

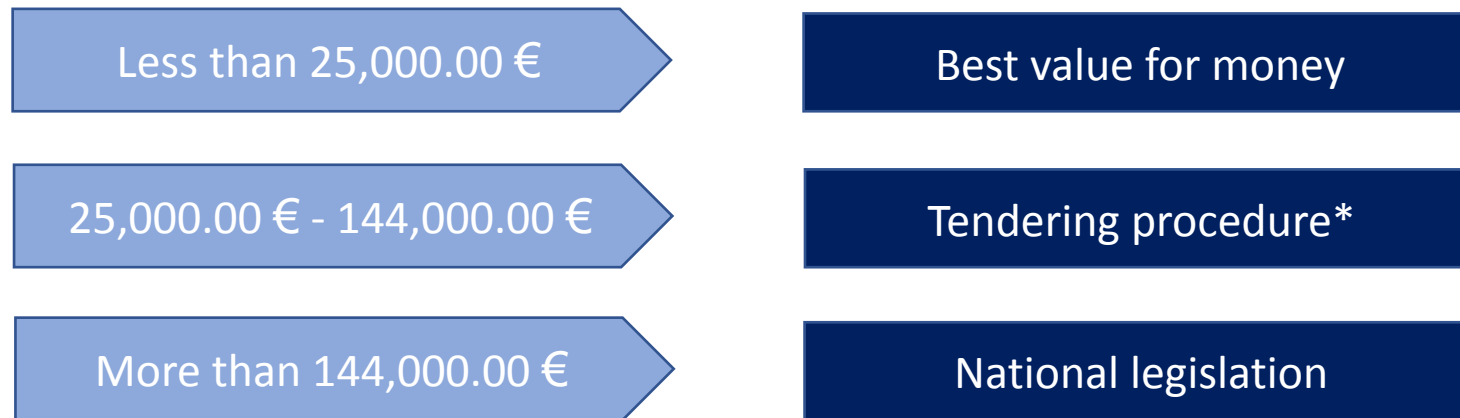
# Exceptional costs

- **NOT INCLUDED WITHIN THE PRO...**
- ...ensiv...  
... that ... rules  
(based on travel distance) cover at least 65% of travel costs
- Ca... 50%
- The exceptional costs finance the standard travel funding scheme.





# Procurement method for goods and services



- The grant beneficiaries **may not split the purchase into smaller contracts** with lower individual amounts below the threshold in order to avoid launching a formal tendering procedure.
  - Obtaining at least 3 competitive offers and retain the one offering the best value for money.\*



# Subcontracting

- Engagement of third parties for specific project-related tasks which cannot be performed by the consortium members themselves.
- It includes self-employed / free-lance experts.
- Sub-contracting to external bodies should be very occasional.
- Sub-contracting for project-management-related tasks is not eligible.
- Travel costs and costs of stay for sub-contracted service providers have to be declared under the sub-contracting budget category.
- **Activities which may be sub-contracted:**
  - Compulsory financial audits and any external QA procedure,
  - IT courses, language courses,
  - Printing, publishing and dissemination activities,
  - Translation services,
  - Web design and maintenance,
  - Logistic support for the organisation of events (except for catering and hospitality costs for participants receiving the costs of stay).





# Reallocation of funds between budget categories

Reallocation of the grant

Budget headings

Increase up to 10% of each heading automatically granted by the GA

For an increase of more than 10%, an amendment has to be requested and fully justified

Among partners

Adjustments of the same order are possible

For modifications transforming the substance of the project, you need to request EACEA's authorization



# Reallocation of funds between budget categories

- **Up to 10% → no prior authorisation by the Agency, even if the increased amount exceeds the defined ceilings for staff, equipment and sub-contracting.**
- **For more than 10% → prior authorisation by the Agency is needed.**
- If, as a consequence of the increase, the maximum ceilings are exceeded, the request will not be accepted.
- **These requests must be submitted at least one month before the end of the project implementation period.**
- The coordinator may, in agreement with the beneficiaries, when carrying out the action, adjust the estimated budget by transfers between categories of eligible costs, provided that this adjustment of expenditure does not affect the implementation of the action and **the transfer between categories does not exceed 10% of the amount of each category of estimated eligible costs** for which the transfer is intended, and without exceeding the total eligible costs indicated in Article 1.3 of the GA.





# Reallocation of funds between budget categories

## In practice:

	Contractual amounts	Based on art. I.14	At final report you can reach
Staff costs	345.000	+ 34.500	379.500
Travels	125.000	decrease	101.100
Costs of stay	181.500	decrease	142.100
Equipment	210.000	+ 21.000	231.000
Subcontracting	78.000	+ 7.800	85.800
Exceptional costs	-	-	-
<b>TOTAL</b>	<b>939.500</b>	<b>939.500</b>	<b>939.500</b>



## Reallocation vs COVID 19 (November 2020)

- If, as a result from the underspending of Travel Costs and Costs of Stay in the framework of **COVID 19 pandemic**, additional costs under other categories are claimed (e.g. additional Staff Costs, Equipment or Subcontracting), **these can be declared based on the above-mentioned conditions and only if duly justified by the implemented activities.**
- For example, if activities implemented on-line implied higher staff costs, it should be clearly demonstrated why more staff days were needed to implement activities already foreseen in the project proposal. Moreover, **if these additional costs were not foreseen in the project proposal, they are subject to a prior authorisation by the Agency.**
- In case the beneficiaries have requested a suspension and or a long of the project eligibility period, in principle **no additional staff costs may be accepted.**
- **Prior authorisation by the Agency is always needed whenever new costs are incurred/new activities implemented** (i.e. translation costs under Subcontracting not originally foreseen in the project proposal).
- If mobilities were replaced by on-line events, no costs of stay can be charged under the project (since no 'real' journey to another city/country took place). **Only the costs related to the 'virtual' events/activities, such as staff costs, can be charged under the project.**



## Declared costs vs COVID 19 (November 2020)

- **Costs to be claimed in the “Final Financial Statement”, financed through actual costs:**
  - Costs related to Subcontracting and Equipment have to be claimed in the Final Financial Statement.
- **Costs to be claimed in the dedicated “Reporting table for unit costs – Covid 19”, financed through unit costs:**
  - Costs related to **Travel costs and Costs of Stay** have to be claimed in the dedicated “Reporting table for unit costs – Covid 19”, following the instructions included in the Excel table (sheet ‘**Instructions**’).
  - Beneficiaries have to indicate actual costs not reimbursed, in both actual and unit costs (please refer to the sheet ‘**Instructions**’).
  - Please note that for each reference declared, the lowest amount between actual costs and unit costs will be considered for reimbursement in the framework of the EU grant contribution.
  - **This reporting table has to be submitted with the Final Report as an attachment** in accordance with the instructions provided in the “**CBHE eReport Explanatory Note**” available on the beneficiary space.
  - **Expenses that have not been reimbursed in the framework of the pandemic, whether they are based on unit costs or actual costs, have to be claimed only once, either in the “Reporting table for unit costs – Covid 19” (Travels and Costs of Stay) or in the Final Financial Statement (Equipment and Subcontracting).** They must not be encoded twice in the two Excel tables.





## Request for second pre-financing

- The coordinator must submit a request for **second pre-financing payment within 60 calendar days** following the end of the first reporting period (**M21**).
- **The request must be accompanied by the following documents:**
  - a progress report on the implementation of the action ('technical report on progress');
  - a statement on the amount of the previous pre-financing instalment used to cover costs of the action ('statement on the use of the previous pre-financing instalment'). The statement must be drawn up in accordance with Annex VI.

## Request for payment of the balance and supporting documents

- The coordinator must submit a **request for payment of the balance within 60 calendar days following the end of the last reporting period.**





# Checks and Audits

- **A certificate on the financial statements and underlying accounts ('certificate on the financial statements') for each beneficiary and for each affiliated entity, if the maximum grant amount indicated for that beneficiary and its affiliated entities in the estimated budget as reimbursement of actual costs is more than EUR 60.000.**
- A **final financial statement** (together with final technical report and summary report for publication) has to be submitted to the Agency **not later than 60 days after the end of the project contract period.**
- An **external audit report** and certificate on the coordinator's financial statement and underlying accounts must be sent **with the final report and the required supporting documents.**
- The coordinator is free to choose a qualified external auditor, including its statutory external auditor, provided that the external auditor is independent from the coordinator.
- **Just for transparency and statistical purposes, the coordinator will need to provide an indication on the level and source of its own financial contribution** (for dissemination, publishing, translation if not subcontracted, as well as for overheads costs, bank fees, etc), without submitting proof of expenditures or supporting documents.
- Agency can check/audit may be done at any time **up to 5 years**, starting from the date of payment of the balance at the end of project.





**The CBHE eReport Explanatory Note on  
Progress report on the implementation of the action  
(Technical report on progress)**

# Progress report on the implementation of the action

## A) General framework

Please note that the submission of the "Progress report on the implementation of the action" (or Technical report on progress) is a contractual obligation (art. I.4.1 of the Grant Agreement); the Agency reserves the right to terminate the Agreement if this contractually required report is not submitted, in accordance with article II.23 of the Grant Agreement.

The report will be evaluated based on the award criteria defined for assessing the grant proposal and defined in the Erasmus+ programme Guide and will be scored out of a total of a maximum of 100 points.

The table below presents the award criteria and the maximum score for each:

Title of the award criterion	Maximum number of points for each criterion
Relevance of the project	30
Quality of the project's implementation	30
Quality of the project team and the cooperation arrangements	20
Impact and dissemination	20
TOTAL	100

Based on these award criteria, the assessment of the report will aim to reflect the quality of the project's implementation, as well as the consortium's overall performance, taking into account:

- (1) The CBHE requirements as specified in the Erasmus+ Programme Guide
- (2) The relevance of the activities implemented, compared to the "Description of the action" included in Annex I of the Grant Agreement
- (3) The desk monitoring activities conducted by the EACEA since the start of the eligibility period
- (4) The field monitoring visits carried out by or on behalf of the Agency at any of the consortium partners



## Checks and Audits (Article I.18 of the GA)

- The Agency may carry out technical and financial checks and audits;
- The Agency may also check the statutory records of the beneficiaries;
- The Agency is entitled to reduce (after final report) the grant initially awarded;
- The Agency is entitled to reduce initial grant by 20% if an obligation under the agreement is breached, in particular the visibility of EU funding.

score of the final report (max. 100 points)	reduction of the initial grant amount
at least 40 and below 50 points	25% reduction
at least 30 and below 40 points	35% reduction
at least 20 and below 30 points	55% reduction
below 20 points	75% reduction



# Partner obligations

- **The partners have to submit periodical technical reports and financial reports to the coordinator –detailed schedule will be defined in partnership agreements.**
- The eligibility of the expenses will only be verified following the submission of the final report.
- The partners have to inform the coordinator and ask for **a prior approval for each modification of project activities and budget items.**
- Concrete **amounts/percentages of instalments will be written in partnership agreements.**
- **The partner will have to return to the coordinator the funds not used and to reimburse any expenditure declared ineligible by the Agency.**
- The coordinator will prepare a **project handbook**, which will provide the partners with all necessary information/instructions about their obligations, procedures to follow, forms to use and how to fill them in, how to keep records, what and when to send to the coordinator, etc (the Project Handbook will be published on the project website).



# Instructions for Operational & Financial

## Reporting

### Reporting

Instructions for Operational & Financial Reporting

The use of the forms and templates below is mandatory.

Reporting forms

1.a [Financial Statements](#) (including "Statement on the use of the previous pre-financing instalment and Request for Payment" and "Final Financial Statement")

1.b [Reporting table for unit costs - Covid-19](#) (only to be attached to the Final Report, if applicable)

2. Technical Implementation Report (All documents will be available at a later stage)

3. Final report on implementation of the action (All documents will be available at a later stage).

4. (Audit) Certificate on the financial statements and underlying accounts (Report of Factual Findings on the Final Financial Report – Type II). - *Documents will be available at a later stage*

Other documents

1. [CBHE Joint Declaration](#)

2. [Individual Travel Report](#)

3. [Time-Sheet](#)

To open the documents "Time-Sheet" and "Financial Statements", please right click on the words "en" and select "save target as" or "save link as" to download the document. When saving the file on your hard disk, please choose the file extension .xlsm to activate the macros necessary to delete rows in the file.

### Dissemination and visual identity

[Visual identity](#) <EN> \*\*\*

- Docs to be downloaded:

- [https://www.eacea.ec.europa.eu/grants/2014-2020/erasmus/capacity-building-field-higher-education-2020\\_en](https://www.eacea.ec.europa.eu/grants/2014-2020/erasmus/capacity-building-field-higher-education-2020_en)



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**THANK YOU FOR YOUR ATTENTION!**

**Kick-off Meeting**

**Maja Škurić, University of Montenegro, Faculty of Maritime Studies Kotor  
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