Financial planning

Co2mmunity Kick-off Meeting
Kiel | 16 November 2017
Dana Hennings, Managing Authority/Joint Secretariat

Content

1. First steps
2. Building a project team
3. Travelling
4. Procurement
5. Other responsibilities
6. Reporting, audit and control
7. Information sources

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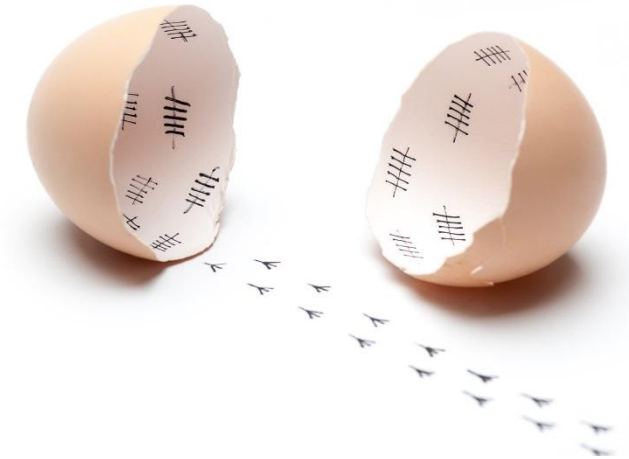
First steps



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- What do I need to do now?
  - ✓ Establish an adequate audit trail
  - ✓ Set up your accounting system
  - ✓ Ensure pre-financing of project expenditure

First steps

1. Establish an adequate audit trail
   = any procedure to track all financial and document flows for all expenses occurred in the project

   ✓ Identify all **procedures** leading to expenditure **and actors involved**
   ✓ Gather technical, financial and administrative information and identify **financial flows**
   ✓ Set up procedures for **archiving** and decide for the location of documents

First steps

2. Set up your accounting system

- ✓ **Separation** of expenditure
- ✓ **Clear identification** of expenditure & invoices
- ✓ List of expenditure in **English**

→ Partner report

First steps

3. Ensure pre-financing of project expenditure

- ✓ Secure and plan **liquidity**
- ✓ Remember: **Reimbursement** principle!

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Building a project team

- How can I employ my staff?
- Which costs are eligible?
- Which documents are needed?
- I need part-time staff – which method suits my needs?

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Building a project team

1. How can I employ my staff?

Full time	Part-time

✓ Employed by partner organisation

✓ Formally engaged in project activities

100% of the employee‘s working time is spend for project work	**< 100%** of the employee‘s working time is spend for project work

Building a project team

2. Which costs are eligible?

Full time	Part-time

Gross employment costs

- ✓ Fixed in employment document or by law
- ✓ Non-recoverable
- ✓ Examples:
  - Salary
  - Other costs directly linked to the salary

Building a project team

3. Which documents are needed?

Full time	Part-time

- ✓ Employment document
- ✓ Job description
- ✓ Documentation of gross employment costs
- ✓ Payment proof
- ✓ **Staff cost tool**

+ method specific documents

Building a project team

4. I need **part-time** staff – which method suits my needs?

   Fixed percentage of time worked per month

   ✓ **%** fixed in employment document **in advance**

   ☺ No timesheet needed
   ☺ Simple calculation
   😐 Over- or undercompensation possible

Building a project team

4. I need **part-time** staff – which method suits my needs?

   Calculated with a yearly hourly rate

   ✓ Annual gross employment costs of **previous 12 months** divided by 1,720 hours

   ☺ Only need to calculate it once
   😐 Over- or undercompensation possible
   😐 Timesheet needed

Building a project team

4. I need **part-time** staff – which method suits my needs?

   Calculated with a monthly hourly rate

   ✓ Monthly gross employment costs of actual month divided by **monthly working time set in employment contract**

   😐 Timesheet needed
   😐 Closest, but not equal to real costs
   ☹ Vacation and sick leave are not covered

Building a project team

4. I need **part-time** staff – which method suits my needs?

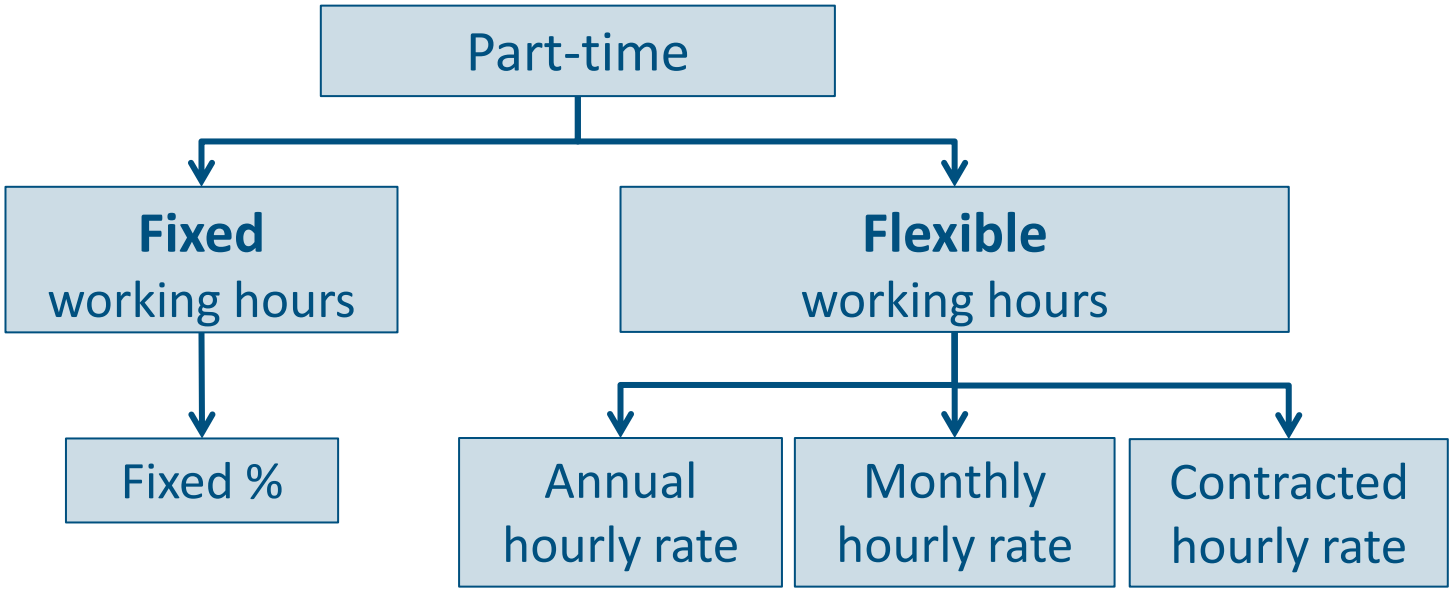
Calculated with a contracted hourly rate

✓ **Hourly rate** set in the **employment contract** multiplied with actual working hours

😐 Can only be used by staff that is paid on hourly rate basis
😐 Timesheet needed
☹ Vacation and sick leave not covered

Building a project team

4. I need **part-time** staff – which method suits my needs?



Do not mix the calculation methods!

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Travelling

- Who can travel and what can I pay for?
- What to consider for activities outside the EU-part of the Programme area?

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Travelling

1. Who can travel and what can I pay for?

Project employees

⇨ belongs to BL3

- Travel (e.g. tickets, fuel, car mileage, toll, parking fees)
- Accommodation
- Visa
- Daily allowances

External experts/speakers/…

⇨ belongs to BL4

- Travel
- Accommodation
- **Active role !**

Every travel must be project related !!!

Travelling

2. Activities outside the EU-part of the Programme area:
   Do I need **prior approval** by MA/JS?

- Programme area & EU ⇨ NO
- Other countries ⇨ YES

Interreg Baltic Sea Region

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Procurement

- External goods, services or works (BL3, BL4, BL5, BL6)
- Relevant for all partners
- Ensure:
  - ✓ **Transparency**
  - ✓ **Non-discrimination**
  - ✓ **Equal treatment**
  - ✓ Thorough documentation of procedure & decision making

Further information → Programme Manual

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Other responsibilities

1. Open access principle WP2

- ✓ *Wide dissemination* of outputs produced in WP2 on a non-exclusive and non-discriminatory basis
- ✓ Most transparent and the *widest possible access* to all interested stakeholders including potential competitors
- ✓ All innovations and inventions arising from the project are made *available in the public domain*
- ✓ *No intellectual property rights* can be claimed

Other responsibilities

2. Durability and retention of documents

- Ensure **durability**, i.e. long-lasting effects of outputs and results
- **Retention of documents**
  - ⇨ Period: ~ 4 y. after final payment (exact date from MA/JS)
  - ⇨ **Originals** or in versions "*in conformity with the original on commonly accepted data carriers*"
- Maintenance of **project website** for 5 years after project end

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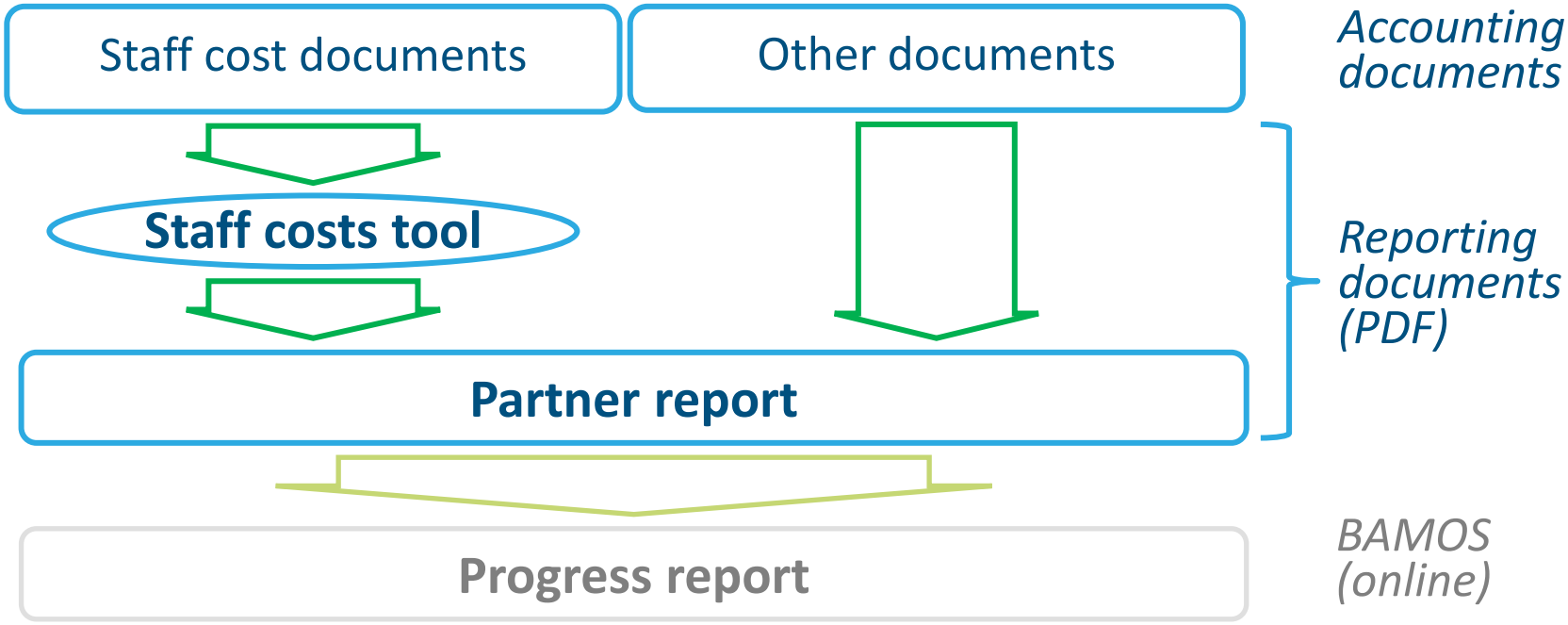
Reporting, audit and control

- How do I report expenditure?
- Who checks my expenditure and why?
- How does first level control work?
- What applies to me and my partners?
- How to get started?

Reporting, audit and control

1. How do I report expenditure?

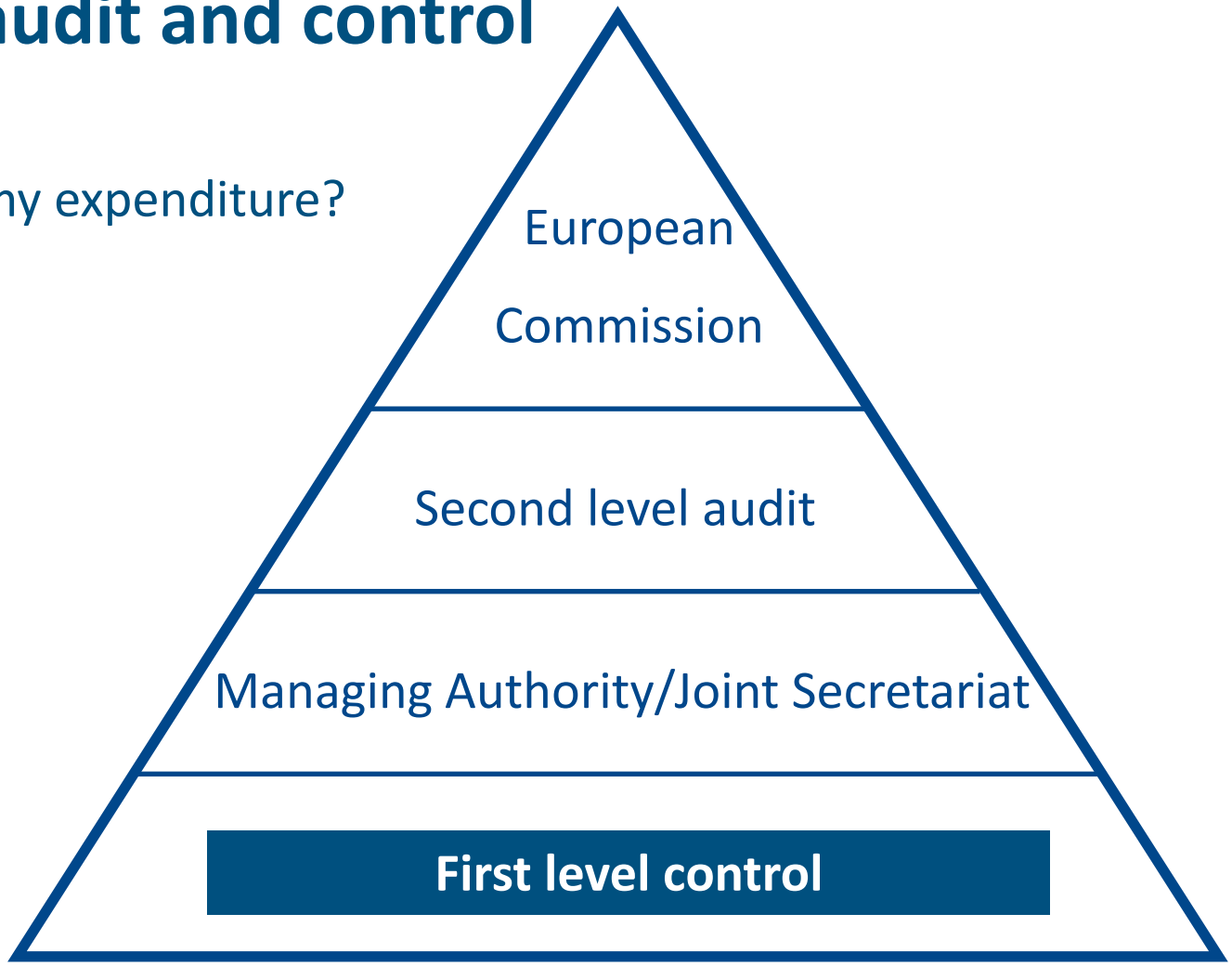


Reporting, audit and control

2. Who checks my expenditure?

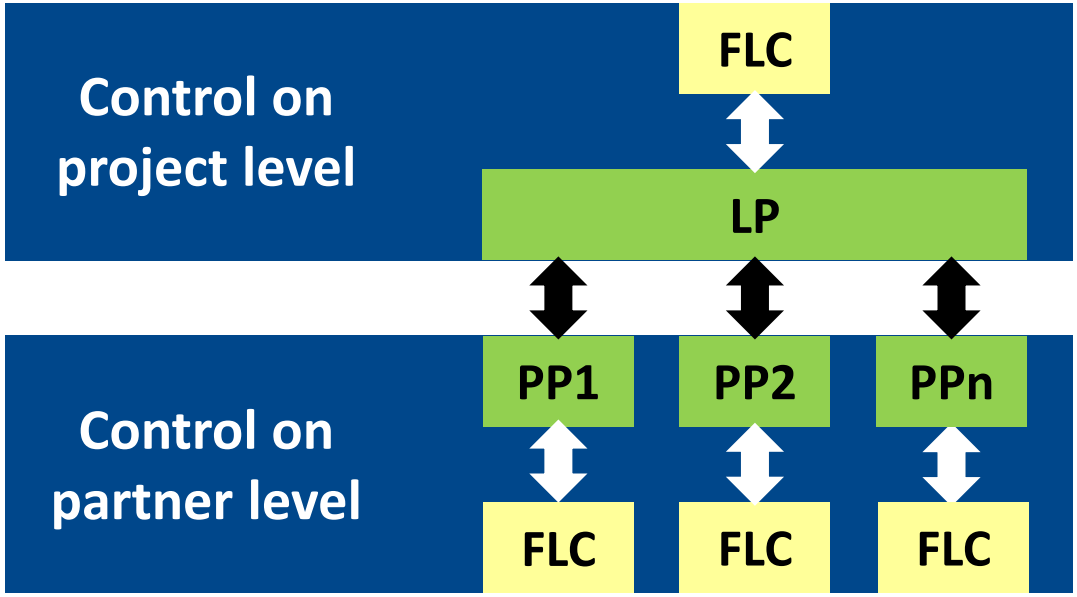
… and why?

- Public funds
- Verification:
  - ✓ Delivery
  - ✓ Soundness
  - ✓ Compliance



Reporting, audit and control

3. How does first level control work?



Reporting, audit and control

4. What applies to me?

	AX	EE	LV	PL	SE	DE	DK	FI	LT	NO	RU
FLC system	Centralised					Decentralised					
Partner pays FLC	No					Yes					

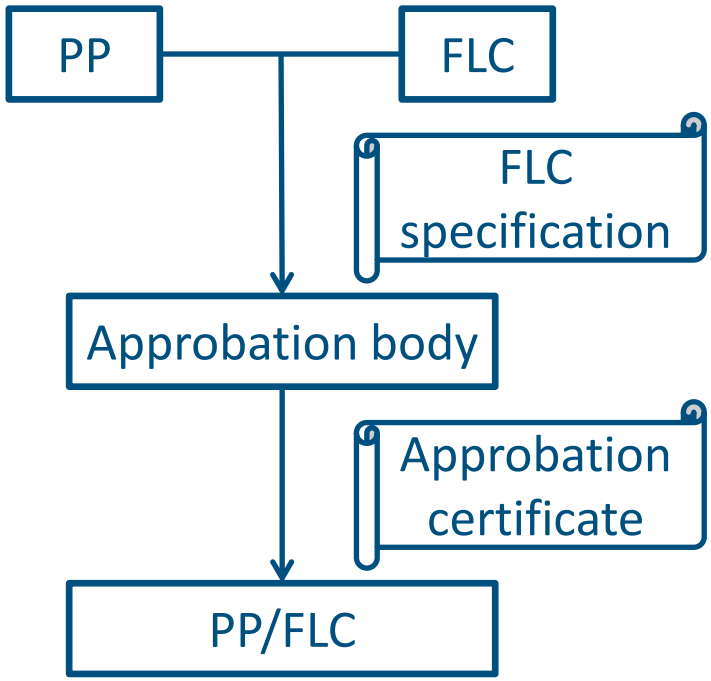
Reporting, audit and control

5. How to get started?

Centralised

- Contact details on the web
- Inform your controllers
- Ask for requirements

Decentralised



Reporting, audit and control

http://www.interreg-baltic.eu

Interreg
Baltic Sea Region

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Information sources

- Programme Manual
- Programme website (**www.interreg-baltic.eu/for-projects/reporting.html**)
- National first level control seminars
  - ✓ Sweden: 30 October 2017 (Stockholm)
  - ✓ Germany: 21 November 2017 (Bremen)
  - ✓ Finland: 1 December 2017 (preliminary)
  - ✓ Denmark: February 2018 (preliminary)

  Estonia, Latvia, Lithuania and Poland: no information, yet

Financial planning

Interreg Baltic Sea Region believes
in an integrated and prosperous Europe for all

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