



Final reporting to EACI Wrapping up your BUILD UP Skills project

nathalie.cliquot@ec.europa.eu (Project Officer)

Contents



1. The final report components:

1. The Final technical report
2. Financial statements – key elements
3. Factsheet

2. The validation/payment process

3. Do's and don'ts – how to avoid frequent mistakes

Final technical report



- > **Specific BUILD UP Skills template**
- > **Length: no more than 20 pages (excluding annexes)**
- > **Parts**
 - > Activities and outputs of the reported period (max. 6-8 pages)
 - > National qualification platform, status quo analysis, roadmap, endorsement, EU exchange activities, success stories
 - > *Individual performance review by partner (1-2 pages per partner) NEW!*
 - > Management issues (max. 4 pages)
 - > Deviations from the work programme, consortium management, meetings, contact with EACI, amendments, suggestions for improvements
 - > Other issues (0-1 page)
 - > Appendices to the Final Technical Implementation Report
 - > List of deliverables, table of hours, list of main persons in charge of the project

Final technical report



> Individual performance review by partner

To limit further information request from EACI when analysing reports, based on EACI experience

- > Role in the project and assessment of individual partner's performance
- > Main activities and achievements
- > Sustainability of the action after the end of the project
- > Review of resources
 - > Staff resources
 - > Subcontracting and other specific costs
 - > Travel costs
 - > Reports on budget shift

Final technical report



> Staff hours

Additional explanations needed

- > overall: in case the total hours claimed per beneficiary in the final cost statement are 20 or more % higher or 20 or more % lower than foreseen in the Contract Preparation Form (CPF),
- > per work package: for each deviation of at least 20% of hours claimed if the hours per beneficiary in a work package is > 200.

> Subcontracting and other specific costs

Cost category (subcontracting or other specific costs)	Foreseen item according to CPF	<u>Estimated</u> costs [EUR]	<u>Actual</u> incurred costs [EUR]	Reason for over-, under- or not spending

Financial statements: Staff Costs



- > 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**
 - > **secretarial/administrative/managerial costs** are deemed to be included in the indirect costs
- > Only actual salaries plus social charges and other statutory costs included in the remuneration can be used to calculate the hourly rate
 - > *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**
- > **EACI does not reimburse 'prices' (i.e. cost + commercial uplift)**
- > ***Hourly rates of Contract Preparation Forms do not constitute accepted rates!!***

Financial statement: Staff Costs



Method to calculate hourly rates (employees only):

- > **Productive time** is the total hours worked, excluding holidays, sick leave, or other allowances. Calculation example :

Days/year	365 days
Less 52 weekends	<u>104 days</u>
Subtotal	261 days
Less Annual holidays	-22 days
Statutory holidays	-15 days
Sick leave	- 5 days
Training (Max. 10)	<u>- 4 days</u>
Total-Productive days	215 days

Productive hours/year (7 hrs/day) = 1.505 (or 125 hours/month)

Productive hours/year (8 hrs/day) = 1.720 (or 143 hours/month)

- > Working time is the total of hours worked on the project (as recorded in the timesheets)
- > Total gross remuneration costs (incl. social charges etc)
- > **Hourly rate = Total gross remuneration cost**

Productive hours

Financial statement Subcontracting



- > Subcontract has to show reference to IEE project and clearly specify the tasks
- > Travel costs of subcontractors are part of subcontract
- > Results of subcontracts have to be made available to project
- > EACI asks copies of subcontracts and checks value for money
- > **Three biggest invoices to be submitted with cost statement**

Travel & subsistence costs



- > **For staff on the pay-roll of the organisation**
- > **For external experts = Other specific costs**
- > **EACI asks for copy of invoices / expenses claims only on a sampling basis**
- > **If lunch or dinner costs are paid by organiser, these costs have to be excluded from subsistence costs**

Other specific costs



- > **Consumables cost category not used in IEE, instead used "other specific costs"**
 - > 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**
- > **“Related to the action”, “reasonable”**

Financial statements

Exchange rates



**For beneficiaries of non-EURO countries there are two options.
Any conversion of actual costs into EURO shall be made:**

- > at the monthly accounting rate established by the Commission and published on its website applicable on the day when the cost was incurred

or

- > at the monthly accounting rate established by the Commission and published on its website applicable on the first working day of the month following the period covered by the financial statement concerned.

<http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en>

BUILD UP Skills factsheet



- > **Calling card from your project** – should be carefully phrased and include key figures and results from the project
- > **The IEE database with your factsheet is the most visited part of the IEE website**
- > Please respect the maximum number of characters (POs are manually entering your factsheet in the database!)
- > Specific BUILD UP Skills part to display data provided for the EU overview.

Contents



1. The final report components:

1. The Final technical report
2. Financial statements – key elements
3. Factsheet

2. **The validation/payment process**

3. Do's and don'ts – how to avoid frequent mistakes

Validation and payment



INTELLIGENT
ENERGY
EUROPE
FOR A SUSTAINABLE FUTURE



> Final report (FR)

- > Within 60 days of action completion
- > Covers the whole duration of the action
- > Includes the final financial statement in EURO

> EACI has 90 days to approve the report and pay the balance

- > The approval/payment delay will start to run as of the moment that the 'originals' & the 'electronic' version of the reports have been received by EACI
- > In case EACI PO and FO send questions on the report or if the reports are incomplete, the coordinator has 20 days to respond and the 90-day delay is stopped until the missing information is provided

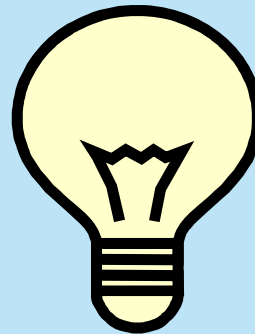
> Final balance: EU contribution calculated by EACI based on the accepted eligible costs minus 1st pre-financing paid

Funds paid as pre-financing can be recovered in case of underperformance of one or more partners, or when some expenses are not deemed eligible

Which cost are “eligible”?



- > 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 costs relating to final reports & audit certificates within a max. period of 2 months from completion of the action*)
- > 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”



- > be **identifiable, verifiable and determined** in accordance with the relevant **accounting principles**
- > 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)

How is the payment calculated ?



INTELLIGENT
ENERGY
EUROPE
FOR A SUSTAINABLE FUTURE



Steps:

1. Eligibility of costs is determined per beneficiary (Art. II.14, Art. II.17)
 - > **Technical analysis:** e.g. costs are necessary and reasonable for implementation of the action; etc
 - > **Financial analysis:** e.g. costs are identifiable, verifiable, recorded in accounts, etc
2. Non-eligible costs are rejected as a result of the technical analysis (e.g. action implemented poorly, activity not necessary for the action, with unreasonably high amount of hours, etc) and/or financial analysis (e.g. costs not identifiable, not verifiable, not during the time of the action, etc)
3. Eligible costs are limited per cost category as set in Annex II => the accepted costs
4. Summing up of all accepted costs from all financial statements
5. Calculation of EU contribution as the % of the TOTAL accepted costs for the project using the funding % indicated in the contract (Art. I.4.3)

Eligible costs

Direct costs

- Staff costs

- Subcontracting
- Travel costs
- Equipment costs
- Other specific costs

Indirect costs
("overhead")

60% of staff
costs (fixed)

Example (in €)



in Euro				
Expenditure	Budget as per Annex II of GA or after budget shift (if introduced in time : at the latest with final report)	Declared Eligible	Eligible Accepted by FO/PO	Total Accepted for project
Direct costs				
1. Staff costs	10,000	8,000	7,000	
2. Purchase costs for equipment		2,000	0	
3. Subcontracting	2,500	5,400	5,400	
4. Travel and subsistence	1,000	800	800	
5. Other costs	5,500	6,500	6,500	
	Sub-total	19,000	22,700	19,700
Indirect costs (Overheads)				
6. Indirect Eligible costs	6,000	4,800	4,200	
	Sub-total	6,000	4,800	4,200
	Total	25,000	27,500	23,900

Exercise:
STEP 1 eligibility:
The PO or FO has rejected 1000 of staff costs and 2000 of equipment considered non eligible – all the rest is considered eligible (23900€ in total)

How much is calculated for the payment of this partner?

Example (in €)

Expenditure	Budget as per Annex II of GA or after budget shift (if introduced in time : at the latest with final report)	Declared Eligible	Eligible Accepted	Total Accepted for project	Limited to budget (rejected because of budget limitation in a cost category)
Direct costs					
1. Staff costs	10,000 2000	8,000	7,000	7,000	
2. Purchase costs for equipment	0	2,000	0	0	2,000
3. Subcontracting	2,500	5,400	5,400	2,500	2,900
4. Travel and subsistence	1,000 200	800	800	800	
5. Other costs	5,500	6,500	6,500	5,500	1,000
Sub-total	19,000	22,700	19,700	15,800	5,900
Indirect costs (Overheads)					
6. Indirect Eligible costs	6,000	4,800	4,200	4,200	
Sub-total	6,000	4,800	4,200	4,200	0
Total	25,000	27,500	23,900	20,000	5,900

Response:
20,000€ accepted;
EU contribution = 18000€

The budget could have been further optimised with a BUDGET SHIFT, 2000 +200 euros not used in staff and travel costs:

22200€ accepted
19980€ EU contribution

At the end the accepted costs of all beneficiaries are summed up and the EACI processed the payment according to the funding % stated in Article 1.4.3 of the Grant Agreement (for BUILD UP Skills 90%)

Budget transfer



- > **Budget transfers do not require an amendment to the agreement if and can be notified at the latest with the Final report if:**
 - > The transfers do not affect the implementation of the action
 - > The transfer between cost categories does not exceed 20% of the total eligible costs of the beneficiary concerned
 - > The transfer between beneficiaries does not exceed 20% of the total eligible costs of the receiving beneficiary

Contents



1. The final report components:
 1. The Final technical report
 2. Financial statements – key elements
 3. Factsheet
2. The validation/payment process
3. **Do's and don'ts – how to avoid frequent mistakes**

Frequent mistakes - Reporting



- > **Badly documented activities** not able to substantiate the hours claimed - may result in reduction of accepted hours/costs
 - > Differences with initially budgeted hours NOT explained
 - > Not sufficient evidence of contacts with stakeholders (date, meeting agenda, minutes, further contacts...)
 - > Website not up to date (wrong tenses used "the project *will* ...", deliverables not uploaded)
- > **Incomplete report.**
- > **Wrong reporting period.** The final report should capture activities for the whole duration of the project (month 0-18).
- > The publishable '**Result-oriented Report**' missing or not attractive
- > **Late delivery** to EACI due to delayed delivery of inputs from partners – discipline from partners needed

Frequent mistakes – Financial issues



- > **Time sheets** do not reconcile the full working time of a person
 - > See Time Sheet Model on the IEE web-site
- > **Hourly rates** of Contract Preparation Forms (CPF) are used in cost statements instead of actual rates based on real salary costs
- > **Reporting period** is wrongly referenced on financial statement
- > **Copies of invoices are missing** when submitting final financial statement
- > **Reference to the project** on invoices of subcontracts is missing



**INTELLIGENT
ENERGY
EUROPE**
FOR A SUSTAINABLE FUTURE



Thank you!



FOR A SUSTAINABLE FUTURE