

Strengthening Teaching Competences
in Higher Education
in Natural and Mathematical Sciences



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FINANCIAL MANAGEMENT

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Financial management of TeComp

❖ Financial management on the level of the entire project

➤ General project manager

Prof. Dr. Jelena Ignjatović – jekaignjatovic73@gmail.com

➤ Financial managers

Prof. Dr. Miroslav Ćirić – miroslav.ciric@pmf.edu.rs

Dr. Saša S. Nikolić – sasa.s.nikolic@elfak.ni.ac.rs

❖ Financial management on the level of partner institutions

➤ Project managers (contact persons) at partner institutions

➤ Possibly other persons appointed by project managers



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Basic documents for financial management

📄 Guidelines for the Use of the Grant

(last update 09/01/2018, next update January 2019)

CBHE Beneficiaries Space

https://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2017_en

📄 Erasmus + Programme Guide (summary of financial rules)

🤝 Grant Agreement no. 2018 - 2467 / 001 - 001

🤝 Partnership Agreements

📄 Detailed Budget and Detailed Project Description

📄 TeComp Guide for Financial Management and Reporting (in preparation)



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TeComp Grant

Budget Heading	Ceilings	TeComp Grant
Staff costs	max 40% of total Grant	370.285,00 €
Travel costs		86.645,00 €
Costs of stay		178.440,00 €
Equipment costs	max 30% of total Grant	260.000,00 €
Subcontracting costs	max 10% of total Grant	46.000,00 €
TeComp total grant:		941.370,00 €

Unit costs concept

Actual costs concept

❖ Five budget headings



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Modifications to the approved budget

- ❖ budget can be adjusted by transfer from one budget heading to another (the total budget remains within the approved limits)
- ❖ **Increase < 10% → without prior authorization of the Agency (EACEA)**
 - ceilings for staff costs, equipment and subcontracting **can be exceeded**
 - percents of budget headings are counted for the entire project, not for individual beneficiaries
 - **beneficiaries have to ask the coordinator**
- ❖ **Increase > 10% → authorization is needed**
 - ceilings for staff costs, equipment and subcontracting **cannot be exceeded**



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Unit costs concept

- ❖ applied to **staf costs**, **travel costs** and **costs of stay**
- ❖ fixed contribution multiplied by the specific number of units
 - staf costs – reimbursement for a staf day, multiplied by a number of staf days
 - travel costs – amount corresponding to a distance band
 - costs of stay – daily allowance, multiplied by a number of days
- ❖ “**triggering event**” principle – beneficiaries have to prove that the activities have been **actually done and properly implemented** and that the **expected outputs have been produced**
- ❖ **no need to justify the level/amount of costs incurred**
- ❖ activities must be implemented during the eligibility period set out in the Agreement
- ❖ the **difference between unit costs and actual costs** – matter of beneficiary's own financial “recipe”



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Actual costs concept

- ❖ applied to **equipment costs** and **subcontracting costs**
- ❖ **actual costs are expenses that really incurred**
- ❖ they need to be **properly documented and justified** with the corresponding level of cost incurred
- ❖ actual costs have to be
 - incurred during the eligibility period
 - foreseen in the application/budget
 - identifiable, verifiable, recorded in accounting records of the beneficiary
 - comply with requirements of applicable tax and national legislation
 - reasonable, justified, complying with principle of sound financial management, especially regarding economy and efficiency




Grant management



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Grant management cycle	UNIT COST	ACTUAL COSTS
Grant allocation	Based on <u>estimated work programme</u>	Based on the <u>estimated budget</u>
Grant Implementation	Beneficiary's own FINANCIAL "RECIPE" 	Record <u>costs actually incurred</u>
Grant justification	Based on <u>activities actually implemented</u>	Based on <u>costs actually incurred</u>

Staff Costs

- ❖ Four categories of staff involved in CBHE projects:
 - **Managers** – carry out top managerial activities related to the administration and coordination of project activities
 - **Researchers, teachers and trainers (RTT)** – 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** – carries out technical tasks such as book-keeping, accountancy, in-house translation activities, IT support, etc.
 - **Administrative staff** – carries out administrative tasks such as secretarial duties



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Rules concerning staff costs

- ❖ staff costs relate to persons who are **employed in the beneficiary institutions** (formal contractual relationship is required)
- ❖ staff costs can only be paid for **performing tasks necessary to achievement of the project objectives**
- ❖ declared working days per individual should not exceed **20 days per month** or **240 days per year**
- ❖ staff category to be applied **depend on the work to be performed** in the project, **not on the status or title of the individual**
- ❖ unit costs applied to staff costs concern the **country in which the staff member is employed**, independently of where the tasks have been executed



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Unit Costs for Staff Costs

	Manager	Teacher, trainer, researcher	Technical staff	Administrative staff
Belgium	280	214	162	131
Czech Republic, Spain	164	137	102	78
Slovakia	88	74	55	39
Albania, Serbia	108	80	57	45

- ❖ amounts are in EURO per **staff day**
- ❖ amounts are also listed in the **Detailed Budget** and **Partnership Agreement**
- ❖ estimated number of staff days per work packages, partners and staff categories – **Part H3 of the Detailed Description of the Project**



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Staff Days for WP1



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Work Package Ref.nr	Partner nr	Partner acronym	Country	Number of staff days					Role and tasks in the work package
				Managers	Teachers & TR	Techn. staff	Admin. staff	Total	
PREPARATION WP1	P1	UNI	Serbia	10	36	10	14	70	Performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P2	UB	Serbia	5	18	5	8	36	Performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P2	UNS	Serbia	3	18	4	7	32	Performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P4	UNIKG	Serbia	3	15	2	8	28	Performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P5	ECUG	Albania	10	36	3	9	58	Leader of WP1, performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P6	UNIKO	Albania	2	12	2	7	23	Performing analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P7	UNIOVI	Spain	3	12	2	5	22	Participation in the analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan, hosting a visit of the PC HEI's representatives
	P8	UMB	Slovakia	6	22	5	8	41	Participation in the analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan, hosting a visit of the PC HEI's representatives
	P9	UGENT	Belgium	2	5	1	1	9	Participation in the analysis of the state at T&L in the PC HEIs and experiences at the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P10	UGR	Spain	2	6	2	4	14	Participation in the analysis of the state at T&L in the PC HEIs and experiences at the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan
	P11	UO	Czech Republic	3	10	2	4	19	Participation in the analysis of the state in T&L at the PC HEIs and experiences of the EU HEIs, identification of needs and opportunities at the PC HEIs, making the action plan, hosting a visit of the PC HEI's representatives
SUBTOTAL				49	190	38	75	352	

Travel Costs and Costs of Stay

- ❖ costs of travel and stay for staff participating in activities directly related to the achievement of the project objectives
- ❖ the existence of a **formal contractual relationship** between the employee and the beneficiary institutions is required in order to participate to any travel
- ❖ activities must take place **in project beneficiaries' countries** unless explicit prior written authorisation from the Agency
- ❖ the unit costs to be applied are calculated taking into account
 - **travel distance** (for travel costs)
 - **duration in days** (for costs of stay)
- ❖ each unit cost contributes to **costs of travel for the round trip**, regardless of the expenses actually incurred



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Unit Costs for Travel Costs and Costs of Stay

❖ Travel Costs:

Distance band	Unit cost per participant
between 10 and 99 km	20 €
between 100 and 499 km	180 €
between 500 and 1999 km	275 €
between 2000 and 2999 km	360 €

❖ Erasmus + distance calculator

https://ec.europa.eu/programmes/erasmus-plus/resources/distance-calculator_en

❖ Costs of Stay: 120 € per day per participant (for stay up to 14 days)

❖ Calculated Travel Costs – Detailed Budget



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Travels within WP1

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO
Oviedo	2 × 6	2 × 6	2 × 6	2 × 6	2 × 6	2 × 6
Banska Bystrica	2 × 5	2 × 5	2 × 5	2 × 5	2 × 5	2 × 5
Ostrava	2 × 5	2 × 5	2 × 5	2 × 5	2 × 5	2 × 5

number of persons
×
number of days

- ❖ WP1 – Preparation for strengthening teaching competences in the field of natural sciences and mathematics at the PC HEIs
- ❖ Activity: 1.3. Reviewing experiences in the use of PMT in T&L at the EU HEIs
- ❖ Period: **until 14-06-2019**



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Travels within WP2

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO
Granada	4 × 5	3 × 5	3 × 5	2 × 5	2 × 5	2 × 5
Ghent	4 × 5	3 × 5	3 × 5	2 × 5	2 × 5	2 × 5
Oviedo	3 × 5	3 × 5	3 × 5	2 × 5	2 × 5	2 × 5
Banska Bystrica	3 × 5	3 × 5	3 × 5	2 × 5	2 × 5	2 × 5

Activity 2.2

Activity 2.4

- ❖ WP2 – Upgrading educational infrastructure at the PC HEIs
- ❖ Activity: 2.2. Preparing material for PM training courses
- ❖ Activity: 2.4. Preparing guidelines for the technological enhancement of teaching and learning
- ❖ Period: from 15-08-2019 until 14-05-2020



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Travels within WP3 – Activity 3.1 (workshop)

Destination	UB	UNS	UNIKG	ECUG	UNIKO	UNIOVI	UMB	UGENT	UGR	UO
Niš (workshop)	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5	3 × 5

- ❖ WP3 – Professional development of teaching staff
- ❖ Activity: 3.1. Organising the Workshop on innovative T&L methodologies and pedagogical approaches
- ❖ Period: from 15-01-2020 until 14-07-2020



Travels within WP3 – Activity 3.2

Destination	UGENT	UGR
Niš	2 × 5	2 × 5
Korçë	2 × 5	2 × 5

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO
Granada	6 × 5	4 × 5	4 × 5	3 × 5	3 × 5	3 × 5

- ❖ WP3 – Professional development of teaching staff
- ❖ Activity: 3.2. PM training of teaching staff
- ❖ Period: from 15-04-2020 until 14-07-2021



Travels within WP3 – Activity 3.3

Destination	UNIOVI	UMB	UO
Novi Sad	2 × 5	2 × 5	
Gjirokastër	2 × 5	2 × 5	
Niš			2 × 5

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO
Oviedo	6 × 5	4 × 5	4 × 5	3 × 5	2 × 5	2 × 5

- ❖ WP3 – Professional development of teaching staff
- ❖ Activity: 3.3. Training of teaching staff for using new educational technologies
- ❖ Period: from 15-04-2020 until 14-07-2021



Travels within WP7 – Activity 7.2 (CMT meetings)

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO	UNIOVI	UMB	UGENT	UGR	UO	Until date
Niš (kick-off)		2 × 3	2 × 3	2 × 3	2 × 4	2 × 4	2 × 5	2 × 5	2 × 5	2 × 5	2 × 5	
B. Bystrica	2 × 5	1 × 5	1 × 5	1 × 5	1 × 5	1 × 5	2 × 5		2 × 5	2 × 5	2 × 5	14-09-2019
Ostrava	2 × 5	1 × 5	1 × 5	1 × 5	1 × 5	1 × 5	2 × 5	2 × 5	2 × 5	2 × 5		14-05-2020
Ghent	2 × 5	1 × 5	1 × 5	1 × 5	1 × 5	1 × 5	2 × 5	2 × 5		2 × 5	2 × 5	14-01-2021
Granada	2 × 6	1 × 6	1 × 6	1 × 6	1 × 6	1 × 6	2 × 6	2 × 6	2 × 6		2 × 6	14-09-2021

❖ WP7 – Management

❖ Activity: 7.2. Organising the Kick-off meeting and meetings of the CMT

❖ Period: at intervals of 8 months (approx)



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Travels within WP7 – Activity 7.3 (LCT meetings)

Destination	UNI	UB	UNS	UNIKG	ECUG	UNIKO	Until date
Belgrade	2 × 3		1 × 3	1 × 3	1 × 4	1 × 4	14-04-2019
Novi Sad	2 × 3	1 × 3		1 × 3	1 × 4	1 × 4	14-08-2019
Kragujevac	2 × 3	1 × 3	1 × 3		1 × 4	1 × 4	14-01-2020
Gjirokastër	2 × 4	1 × 4	1 × 4	1 × 4		1 × 3	14-09-2020
Korçë	2 × 4	1 × 4	1 × 4	1 × 4	1 × 3		14-05-2021

❖ WP7 – Management

❖ Activity: 7.3. Organising meetings of the LCT

❖ Period: between two CMT meetings



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Equipment

- ❖ intended exclusively for **Partner Country HEIs** included in the project consortium
- ❖ should be relevant to the objectives of the project foreseen in the application
- ❖ should be purchased and installed at the beginning of the project implementation
- ❖ should be **recorded in inventory** of institution where it is installed and **labelled with Erasmus + stickers**
- ❖ significant changes of the equipment to be purchased – **a prior written authorisation from Agency is necessary**
- ❖ **not eligible equipment:** furniture, motor vehicles, telephones, mobile phones, alarm systems and anti-theft systems etc.
- ❖ **VAT is not an eligible project cost (tax exemption agreement)**
- ❖ for the purchase between **EUR 25.000 and 134.000** – **tendering procedure is obligatory**



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Tendering procedure

- ❖ obligatory for the purchase between **EUR 25.000 and 134.000**
- ❖ if value of purchase > EUR 134.000 – **national legislation applicable**
- ❖ **it is not allowed to split purchase into smaller contracts below the threshold to avoid a tendering procedure**
- ❖ principles of transparency, equal treatment of potential contractors, avoiding conflicts of interests
- ❖ criterion for selection of offer: **best value for money**
- ❖ **two tendering procedures for TeComp**: one for HEIs in Serbia, another for HEIs in Albania
- ❖ after the completion of tendering procedures, the coordinator transfers the appropriate amount of funds to the beneficiaries, who sign contracts with suppliers and pay for equipment



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Equipment foreseen for TeComp

	Amount		Amount
Niš	48.590,00 €	Gjirokastër	35.000,00 €
Belgrade	47.090,00 €	Korçë	35.000,00 €
Novi Sad	47.260,00 €	Total 2 (Albania):	70.000,00 €
Kragujevac	47.060,00 €		
Total 1 (Serbia):	190.000,00 €	Total (TeComp):	260.000,00 €

- ❖ **Serbia:** Videoconferencing solutions ($9 \times 12.500 = 112.500$ €), video-projectors, desktop computers, notebooks, document cameras, etc
- ❖ **Albania:** Smart boards, video-projectors, laptop computers, document cameras, video cameras, network devices, etc
- ❖ complete list – **Detailed Budget**



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Subcontracting

- ❖ implementation of specific tasks, by a third party, to which a **service contract** has been awarded by one or several beneficiaries
- ❖ intended for specific, time-bound, project-related tasks which **cannot be performed by the Consortium members themselves**
- ❖ subcontracting for **project-management related tasks is not eligible**
- ❖ subcontracting costs are reimbursed on the basis of the **eligible costs actually incurred**
- ❖ **catering and hospitality costs during project events for participants receiving Costs of Stay cannot be covered by subcontracting**
- ❖ tasks to be subcontracted must have been identified in the proposal and the estimated amount entered in the budget
- ❖ subcontracting not foreseen in the budget require **prior written authorisation from the Agency**



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Subcontracting for TeComp



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	Amount (in €)	Specification
UNI	14.000	Production of printed learning materials (books, manuals, etc.) – for all Serbian HEIs
	4.000	Production of printed promotional materials (booklets, leaflets, fliers, posters, etc.) – for all Serbian HEIs
	6.000	Compulsory financial audit
	3.000	External quality control
ECUG	2.500	Production of printed learning materials (books, manuals, etc.)
	500	Production of printed promotional materials
UNIKO	2.500	Production of printed learning materials (books, manuals, etc.)
	500	Production of printed promotional materials
UNIOVI	2.000	Production of printed learning materials (books, manuals, etc.)
UMB	2.000	Production of printed learning materials (books, manuals, etc.)
UGENT	2.000	Production of printed learning materials (books, manuals, etc.)
UGR	2.000	Production of printed learning materials (books, manuals, etc.)
	3.000	External expert's costs
UO	2.000	Production of printed learning materials (books, manuals, etc.)
Total:	46.000	

Co-funding

- ❖ participation in CBHE projects necessarily requires co-funding from the beneficiary institutions
- ❖ co-funding is estimated by the project partners at the beginning, when the application is being prepared (see **Detailed Budget**)
- ❖ the **details of the co-funding** are requested with final report only for information purposes
- ❖ proof of expenditure or supporting documents will not be required
- ❖ expenses such as overheads, costs for dissemination, publishing and translation (if they are not subcontracted) have to be covered by co-funding
- ❖ higher expenses than unit cost values should also be covered by co-funding



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Co-funding for TeComp



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	Staf Costs	Travel Costs	Equipment	Total (in €)
UNI	4.454	2.000	5.000	11.454
UB	4.454	2.000	5.000	11.454
UNS	4.454	2.000	5.000	11.454
UNIKG	4.454	2.000	5.000	11.454
ECUG	4.454	2.000	5.000	11.454
UNIKO	4.454	2.000	5.000	11.454
UNIOVI	3.990			3.990
UMB	2.120			2.120
UGENT	6.470			6.470
UGR	3.990			3.990
UO	3.990			3.990
Total:	47.284	12.000	30.000	89.284

Staf Costs:

- Preparation of learning materials
- Preparation of institutional rulebooks related to the domain of the project

Travel Costs:

- Travels to project partners within the country

Equipment:

- ICT equipment for educational purposes

Staf Costs:

- Preparation of learning materials

Exchange rate

- ❖ transactions different from EUR must be **converted and reported in EUR** in the Financial Statement of the final report
- ❖ Which exchange rate should be applied?
 - from start of eligibility period until date of receipt of second pre-financing: **rate of month in which the coordinating institution received the first pre-financing**
 - from date of receipt of second pre-financing until end of eligibility period: **rate of month in which the coordinating institution received the second pre-financing**
- ❖ **Rate to apply:** monthly rate established by the Commission:
<http://ec.europa.eu/budget/inforeuro>
- ❖ **Our current rate:** for December 2018

1 EUR = 118.4127 RSD = 25.967 CZK = 124.49 ALL



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Transfer of funds from the Agency

- ❖ **first pre-financing payment: 50%** of the total grant, paid **to the coordinator** at the very beginning of the project implementation
- ❖ **second pre-financing payment: 40%** of the total grant, paid subject to the following conditions:
 - at least 70% of the previous pre-financing installment has been spent
 - the receipt of the „**Statement on the use of the previous pre-financing installment**“ and „**Request for payment**“
 - the receipt of a „**progress report on implementation of the action**“
- ❖ **balance:** the last **10%** – after the end of the project and the **approval of the final report** by the Agency



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Transfer of funds from the coordinator

❖ First instalment of first pre-financing – I_1

Serbian and Albanian partners: $I_1 = \frac{P_1 - E}{2}$

EU partners: $I_1 = \frac{P_1}{2}$

P_1 – beneficiary's first pre-financing (half of the beneficiary's total grant)

E – beneficiary's funds intended for equipment purchase

- equipment must be purchased and installed at the very beginning
- funds intended for equipment purchase must be „frozen“ until the end of the tender procedure

❖ Second instalment of first pre-financing – $I_2 = I_1$

- beneficiary must demonstrate expenditure covering at least 70% of I_1



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Funds intended for equipment purchase

- ❖ the coordinator transfers funds **E** for equipment purchase based on:
 - documentation provided by the beneficiary, proving that the tender procedure has been properly implemented
 - a contract signed between the beneficiary and selected supplier
 - the corresponding invoice issued by the supplier
- ❖ the equipment shall be the ownership of the beneficiary
- ❖ it must be recorded in the inventory of the institution where it is installed
- ❖ the equipment must be marked with an Erasmus + sticker



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Transfer of the second pre-financing

❖ First instalment of second pre-financing – J_1

all partners: $J_1 = \frac{P_2}{2}$

P_2 – beneficiary's second pre-financing (40% of the beneficiary's total grant)

➤ beneficiary must demonstrate expenditure covering at least 70% of $I_1 + I_2$

❖ Second instalment of second pre-financing – $J_2 = J_1$

➤ beneficiary must demonstrate expenditure covering at least 90% of $I_1 + I_2 + J_1$



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Cost management

- ❖ for Serbian and Albanian partners the installments I_1 and I_2 will be too small
- ❖ without sufficient funds, there will be problems in implementing the project
- ❖ we need to perform **smart cost management**:
 - **Priorities**: equipment, then travel costs and costs of stay
 - no project implementation without travel
 - **payment of staff costs should be postponed for later**
 - **the ultimate solution**: loan from funds not yet transferred
- ❖ it is necessary to keep track of spending on a weekly or monthly basis ...



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Thank you for
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