MANUAL FOR FINANCIAL PROCEDURES

RARHA – Joint Action on Reducing Alcohol Related Harm

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The EC financial contribution to the Action shall be distributed to the Parties by the Coordinator according to the Budget as included in the Grant Agreement (Annex II – global budget/expenditures).

I. GENERAL INFORMATION ON REPORTING

During all the period of the action there will be three types of reports:

- Progress reports (without supporting documents);
- Interim report (with supporting documents);
- Final report (with supporting documents).

Any conversion of actual costs into euro's shall be made at the monthly accounting rate established by the Commission and published on its website for the first day of the month following the end of the reporting period. Suggestion for further information:
http://ec.europa.eu/budget/inforeuro/index.cfm?fuseaction=home&Language=en

II. TIMELINES FOR REPORTING

To have a better financial overview of RARHA, current expenditure by Partner and by Work Package a **progress report**, covering 6 months will be submitted to the Coordinator, as well to the Work Package Leader (in copy).
Dates:

1. Covering the period **from 1st January 2014 to 30th June 2014** and it will be send to the coordinator and leader of the work package no more late than **15th of July 2014**;
2. Covering the period **from 1st July 2014 to 31st December 2014** and it will be send to the coordinator and leader of the work package no more late than **15th of January 2015**;
3. covering the period **from 1st January 2015 to 30th June 2015** and it will be send to the coordinator and leader of the work package no more late than **15th of July 2015**;
4. covering the period **from 1st July 2015 to 31st December 2015** and it will be send to the coordinator and leader of the work package no more late than **15th of January 2016**;
5. covering the period **from 1st January 2016 to 30th June 2016** and it will be send to the coordinator and leader of the work package no more late than **15th of July 2016**;
6. The last Progress Report covering the period **from 1st July and the end of each activity, no more late than 30th November 2016**.

The **Interim Report** (18 months) will cover the period from 1st January 2014 to 30th June 2015).
The interim report and supporting documents must be sent to the Executive Agency by the coordinator before 31st August 2015. All parties will send their interim report with supporting documents no later than 31st July 2015.

The **Final Report** will cover the 36 months of the action and must be presented no later than 31st December 2016.

The parties should respect the following rules:

- Their final financial report must follow the same structure as the estimated budget in Annex II of Grant Agreement;
- The beneficiary shall certify on his honor that information contained in requests for payments is full, reliable and true. He shall also certify that the costs incurred can be considered eligible in accordance with the grant agreement and that payment requests are substantiated by adequate supporting documents that can be checked (Article 207 paragraph 2 of the Rules of Application);
- The payment request (dated and signed) must be submitted together with the technical report.

The Coordinator will provide a template for the reports, which will be sent to the Parties. The template for interim report and final report will be based on the structure of the estimated budget of the Grant Agreement.

III. PAYMENTS

Upon entry into force of the Agreement, a pre-financing payment of EUR **613.353,20** (40% of the maximum amount) shall be paid to the Coordinator.

A 1st further pre-financing payment of EUR **460.014, 90** (30% of the maximum amount) shall be paid to the Coordinator, subject to having used at least 70% of the previous pre-financing installment paid.

IV. TIME LIMIT FOR PAYMENTS

Following the entry into force of the Agreement, the time limit for the Executive Agency to pay the pre-financing payment to the Coordinator is 30 days.

Following the receipt of the respective documents, in line with Article II.24.2, the time limit for the Executive Agency to pay the further pre-financing payment(s) to the Coordinator is 60 days.

After the above time limits, the Coordinator has 15 days to transfer to each Party the amounts corresponding to their participation.

V. SUPPORTING DOCUMENTS FOR THE INTERIM REPORT AND FINAL REPORT

We kindly remind you that **<u>the following supporting documents need to be provided with your future payment request</u>**:

- Prior approval given by Project Officer for travels outside EU and Candidate Countries.
- Invoices related to Equipment
- Invoices related to Subcontracting costs
- Relevant documentation related to "Income generated", "External resources" and "Other current funding applications" (if any)

<u>There are other supporting documents that do not have to be sent with your payment request</u> but that can be requested in case of further verifications or audits. These documents are:

- Time sheets and salary slips;
- Invoices related to Travel costs;
- Invoices related to Subsistence allowances;
- Invoices related to Consumables and supplies directly linked to the project;
- Invoices related to Other costs.

VI. GUIDELINES TO FULFILL THE TEMPLATE OF THE REPORTS *(According to the template at annex)*

E1. Staff Costs

It is important that the report for staff costs contain the following elements:

- Acronym of beneficiary organization
- Country code
- Name of the person being paid
- Function/Category
- Number of days worked for the project
- Daily rate for the person
- Total amount paid (= Number of days x daily rate)

The template will distinguish costs pertaining to public officials from costs ***not*** pertaining to public officials.

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	None	None
Comments	Timesheets and salary sheets could be requested in case of further verifications or audits		

E2. Travel Costs and Subsistence Allowances

The following elements are mandatory when reporting Travel Costs and Subsistence Allowances:

<u>Travel costs</u>

- Acronym of beneficiary organization
- Country code
- Name of person travelling
- Purpose and dates of travel
- Means of transports (plane, car, boat, ...)
- Place of departure (city, country)
- Destination (city, country)
- Cost of travel

<u>Subsistence Allowances</u>

- Acronym of beneficiary organization
- Country code
- Name of person travelling
- Purpose and dates of travel
- Destination (city, country)
- Number of days
- Cost of the daily allowance (to be checked against the table in the contract)
- Cost (= Number of days x Cost of daily allowance)

<u>Important</u>: **Only travels done by staff listed under "E1. Staff" can be reported in these categories. Otherwise please see "E6. Other costs" category.**

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	Copy of prior approvals from the Executive Agency for travels done outside EU and Candidate Countries (NEED CONFIRM)	Copy of prior approvals from the Executive Agency for travels done outside EU and Candidate Countries (NEED CONFIRM)
Comments	Travels outside EU and Candidate Countries require prior approval before the costs can be accepted as eligible		

E3. Equipment

The report should contain a detailed list of equipment purchased for the project. The following details should be listed:

- Acronym of beneficiary organization
- Country code
- Name of supplier
- Description of the equipment
- Date of purchase
- Purchase price
- % allocation of equipment linked to the project (if not 100%)
- Total amount of the depreciation

Depreciation

The principle of depreciation is covered in the Contract Article II.14.2. In the case the Beneficiary is not able to provide proof of own depreciation rule, the Commission rules should apply as follows:

- Hardware expenses depreciated over 36 months
- Purchase of software depreciated 100%
- Furniture depreciated over 5 years
- Equipment (photocopiers, fax, etc.) depreciated over 36 months

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	Copy of invoices	Copy of invoices
Comments	Project references such as project acronym or contract number need to be indicated on invoices related to this category.		

E4. Consumables and Supplies

The costs reported under "E4. Consumables and Supplies" should have a direct link with the project. This is normally ensured by having an invoice with a reference to the project. The report should contain a detailed list of items purchased for the project.
The following details should be listed:

- Acronym of beneficiary organization
- Country code
- Name of supplier
- Description of item
- Purchase price

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	None	None
Comments	Project references such as project acronym or contract number need to be indicated on invoices related to this category- Invoice could be requested upon request in case of further verifications or audits but they have not to be provided at this stage.		

E5. Subcontracting

The following details should be listed:

- Acronym of beneficiary organization
- Country code
- Name of subcontractor
- Description of tasks subcontracted
- Total amount of invoice(s)

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	Copy of invoices	Copy of invoices
Comments	Project references such as project acronym or contract number need to be indicated on invoices related to this category.		

E6. Other Costs

It is important to note that the costs reported under the "E6. Other Costs" category should have a direct link with the project. This means that the concerned **invoices should relate to specific costs identifiable and directly connected to the performance of the action, knowing the project**.
If this is not the case, the cost item should be considered as "E7. Overheads", being cost which are not identifiable as specific costs directly linked to the action, but which can be identified and justified by the beneficiary using his accounting system.
Overheads are all the structural and support costs of an administrative, technical and logistical nature for the activities (operation) of the beneficiary's entity, of which the grant project is only one specific action.

The following details should be listed:

- Acronym of beneficiary organization.
- Country code
- Name of supplier
- Description of item.
- Purchase price.

As a special case, the travel costs and subsistence allowances incurred by persons not listed under "E1. Staff" category can be reported under the "E6. Other Costs" category. Here the same headings of reporting should be used as under the "Travel Costs and Subsistence Allowances" category.

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	None	None
Comments	Project references such as project acronym or contract number need to be indicated on invoices related to this category. - Invoice could be requested upon request in case of further verifications or audits but they have not to be provided at this stage		

E7. Overheads

The overhead is based on a fixed percentage of the total eligible costs indicated in Article I.4.2 of the Grant Agreement.

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	None	None
Comments	The "Overheads" percentage cannot exceed 5.9% of the total eligible direct costs of the project		

VII. REPORTING PER INCOMES CATEGORY

It is important to ensure that all incomes are declared in the financial report. The income may appear as receipts of the project or as third party funding. The third party funding could be, for instance, state aid. Normally this would have been already foreseen in the contract at signature stage.

	Types of Report		
	Progress (6 months)	Interim (18 months)	Final (36 months)
Supporting documents to be annexed	None	Copy of bank statements or any other documents supporting the amount(s) reported under "Income generated by the project" (I4) - Copy of bank statements or any other documents supporting the amount(s) reported under "Other external resources" (I5) - Copy of bank statements or any other documents supporting the amount(s) reported under "Other current funding applications" (I6) (NEED CONFIRM)	Copy of bank statements or any other documents supporting the amount(s) reported under "Income generated by the project" (I4) - Copy of bank statements or any other documents supporting the amount(s) reported under "Other external resources" (I5) - Copy of bank statements or any other documents supporting the amount(s) reported under "Other current funding applications" (I6)
Comments	Contribution pertaining to national officials under (I2) must be the same amount as under E1.b - Explanations/justifications related to 'Income generated by the project" (I4) needs to be provided		