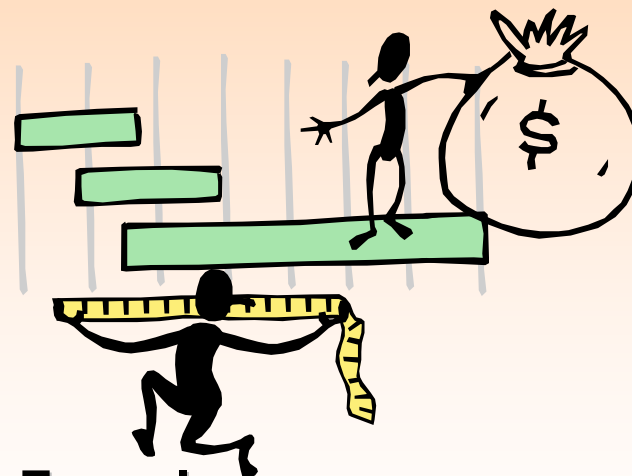


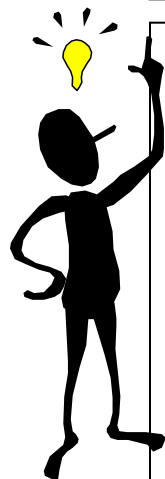
The Budget of INTENSE

Why is it as it is?

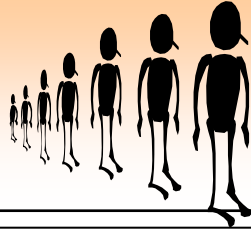


Heidrun Fammler
Baltic Environmental Forum (BEF Latvia)
21 October, 2008

How is the budget built up



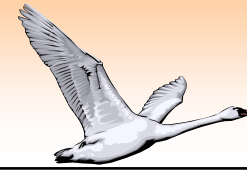
- An excel file programmed by BEF stands behind the IEEA format
- **Costs are sorted initially by work packages**
- For all actions described in the project costs are defined, all events, contracts, travel destinations, deliverables are counted and (should!) occur in the budget
- Costs were checked with partners and then for calculation purpose rounded or harmonised – however, they must be reported as actual costs
- Basis for calculation was BEF experience and actual costs for similar actions – country related estimates were made based on price differences



Personnel Costs

- All partners submitted their gross salary figures for 2007, BEF multiplied with inflation and potential salary increases (except for DE) and estimated a project average salary figure per involved person per partner;
- Attention: actual costs will have to be reported – changes in rates per project year are natural and accepted, the budgeted costs are estimates only!
- For the actions BEF has set an average amount of man days per partner and negotiated it with EACI – the man day amounts are harmonised;
- Amount of man days per action should not be overspent to a large extend.
- Attention: EACI requests time sheets for all personnel which include an indication of total employment hours, not only INTENSE actions; PM requires additionally dscription of INTENSE activities.

Travel costs



- All travel destinations have been counted and calculated;
- Flight costs, accommodation and per diems were checked with partners and then categorized to ease the budgeting (see table);
- It is aimed to have project meetings and seminars back-to back to reduce travel costs and efforts;
- Attention: partners shall cover their subsistence at a project meeting individually from their per diems, not as part of the seminar venue booking; travel costs of other persons are to be placed under “other costs”;
- Meal provision is limited; per diem must be reduced accordingly if meals are provided;
- Travel costs must be reported based on actual costs and according to national rules/internal rules of the applicant – the budgeted costs are estimates only!
- Attention: please report travel costs with some attention and care: name events, dates and destinations correctly and remember: 28 partner will do the same and this is a big source for mistakes and misunderstandings in the project reporting.

Sub-contracting



- With sub-contracting the outsourcing of labor is meant, not general services, e.g. printing or seminar services (“other costs”);
- Most partners have external trainers or speakers as sub-contractors, plus web design and film production;
- Selection principle is “best value for money” principle, not “best price offer”;
- Please check your national rules for tendering/public procurements;
- Although if below your national threshold for tendering, please document your choice and be able to give a justification to the auditor how the sub-contractor was chosen;
- Attention: take care that the invoice indicates project name + number as well as tax ID of the contracting partners;

Equipment

- Sorry, all equipment except the software for opinion polls was ceased during negotiation as the EACI did not consider it being solely necessary for project implementation, but rather general office equipment and therefore a part of the overheads;
- You can buy any equipment as overhead during project duration and do not need to document its expenses;



Other costs

- Any costs related to publications & visibility:
 - Contracting of a printing house (tendering rules!)
 - Distribution materials
 - Tool boxes with distribution materials
- Any costs related to events which are not the individual travel of the staff of the partner organisation:
 - Seminar venues as group bookings (e.g. international seminars)
 - Venue, refreshments, reception, accommodation of non-partner participants, transfers to venue, seminar materials
 - Meeting costs (venue, refreshments, materials)
 - Busses and guided tours at study visits
 - Travel of non-staff (external speakers, participants)
 - Please follow national rules for purchase of tickets and document it correctly!



Financial reporting to BEF and EACI

- BEF has to guarantee that the project reports are correct and will correspond with the partners and check the files before they are submitted to EACI;
- For setting up the reporting system we want to make a first accounting round after 3rd project month (31.12.2008) followed by a meeting with the coordinators or accountants and Heidrun/Raina to evaluate the experiences and decide on changes or improvements needed;
- Further on we would then collect half yearly your expenditure reports and compile them to avoid too complex files for the interim report.

