



Budget overview: basic principles

Unit costs	Staff	Max 40% of total eligible costs
	Travel	No threshold
	Costs of stay	No threshold
Actual costs	Sub-contracting	Max 10% of total eligible costs
	Equipment	Max 30% of total eligible costs
	Exceptional costs	No threshold



ELIGIBLE costs

- **Incurring by the beneficiaries during the eligibility period**
- Foreseen in the **application/budget**
- In connection with action/necessary for **project implementation**
- **Identifiable, verifiable, recorded** in the accounting records
- Comply with **requirements of tax/national legislation**
- Reasonable, complying with **sound financial management**
(economy and efficiency)



INELIGIBLE costs

- *equipment such as: furniture, motor vehicles, alarm systems*
- *costs linked to the purchase of real estate*
- *activities not in project beneficiaries' countries (Annex IV), unless prior authorisation*
- *Exchange losses*
- *excessive expenditure*
- *deductible VAT*




Unit Cost - definition

Fixed contribution multiplied by number of units,
based on "Triggering events" (activities/outputs)

Declared unit costs → **proofs of activities implemented**





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>
Justification of the Grant	Based on <u>activities actually implemented</u>	Based on <u>costs actually incurred</u>



Staff Costs

Contribution to beneficiary institutions for Staff* performing tasks necessary to achieve the objectives of the project

Unit cost = amount in Euro per working day per staff (not linked to the actual level of remuneration in the salary slip)

Calculation ➡ 3 variables: staff category, country, number of days

a) Categories: Managers, Researchers/Teachers/Trainers, Technical, Administrative ➡ *nature of work performed, not status of individual*

b) Country in which staff is employed, independently of where tasks are executed

c) Number of days proportioned to the work carried out => *can not exceed 220 days per year*



Staff Costs – Employment contracts

MUST be : in line with national legislation
individuals employed/assigned in «beneficiaries» listed in the Grant Agreement

Individuals : employed or assigned

Employed: employment contract

Assigned: self-employed person or secondment

(civil contract, a free-lance contract, an expert contract, a service contract etc)

Conditions: - the person works under conditions similar to those of an employee
- the result of the work belongs to the Institution
- the costs are similar to staff with employment contract within the institution



JOINT DECLARATION (1/2)

JOINT DECLARATION

Ref. No..... Project No.

The reference number must correspond to the progressive numbering indicated in the financial statements of the final report

FROM
Hereinafter "the Institution"*

AND Name:.....
Address:
.....
Hereinafter "the Staff member"*

THE INSTITUTION AND THE STAFF MEMBER HEREBY CERTIFY THAT:

1. The Institution is a member of the partnership for the above-mentioned project.
2. The Staff member is either:
 - employed by the Institution YES/NO
 - or*
 - a natural person ** assigned to the project on the basis of a contract against payment YES/NO
3. The Institution and Staff member agree that the Staff member has worked on this project and performed the following duties during the project's eligibility period.

	<i>dd/mm/yy</i>		<i>dd/mm/yy</i>
FROM		TO	

Please describe the outputs produced (short overall indication since detailed information has to be given in the accompanying time-sheet):

.....

.....

.....



TIMESHEET

Add Row		Delete Row		PROJECT TIMESHEET	
Project number :					
Surname :					
First Name :					
Institution :					
Country :					
Position :					
Staff Category :					
Year	Month	Number of Days	Work Package	Description of tasks performed and outputs produced	
Total days:		0			

Signature of the staff member :

Signature of the person responsible in the institution (where the staff member is employed) :



Staff costs

Use of personal/private bank accounts not allowed. Institutional account mandatory

No more than 220 working days
per person/per year
(+ compliance with national rules)

When applying a staff category (manager, teacher), all elements must support the choice (ex: degree, position in the organisation, etc.)



Travel Costs and Costs of Stay

Travel/stay for staff/students participating in eligible activities related to the achievement of the project

Calculation: 3 variables ➡ travel distance (travel costs), duration (costs of stay) and type of participant (staff/student)

Staff

- Under contract with beneficiary
- Travels intended for the activities listed in the E+ Programme Guide
- Duration: Max. 3 months

Students

- Registered under beneficiary institutions
- Duration: Min. 2 weeks – Max. 3 months (Max. 1 week for short term activities linked to the management of the project)

Eligible activities ➡ *Erasmus+ Programme Guide (CBHE section)*



Travel costs



*Travel from home institution to venue of activity
(project beneficiaries' countries)*

Travel distance calculator:

Calculation ➡ unit cost corresponding to applicable distance band

7 distance bands (see Erasmus+ Programme Guide - CBHE section)



ACTUAL COSTS - DEFINITION

Expenses actually incurred

(Documented and justified with corresponding level of cost)

Example:

Reported cost (laptops) of 1.500 EUR

=

Supporting documents to the value of 1.500 EUR



EQUIPMENT



RELEVANT TO THE OBJECTIVES OF THE PROJECT AND FORESEEN IN THE APPLICATION

- **Total purchase cost**
- Exclusively for **Partner Country Higher Education Institutions**
- Recorded in the **inventory** of the institution
- Labelled with **E+ stickers** (to be printed by beneficiaries)
- Purchased and installed **not later than 12 months before the end of the project**

Co-funded by the
Erasmus+ Programme
of the European Union



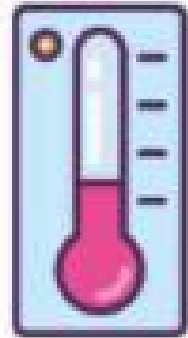
Equipment **not foreseen** in the application?
(Serious) **Delays** in the purchase/instalment?



**Prior authorisation
From the Agency !**



Equipment



Equipment is **instrumental to project activities**. To be purchased not later than **12 months before the end of the project** (Programme Guide page 313)

Identical equipment/amount for every single partner is **unrealistic** and shows no links with real needs of HEIs



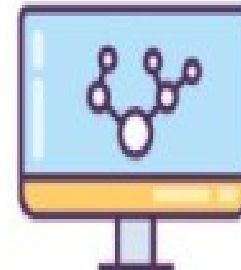


Equipment



Changes in equipment must be **authorised by the Agency in advance**

- We encourage the acquisition of **specialised** equipment
- With the pandemic more and more digital **platforms** are created, they must be **integrally transferred to Partner countries HEIs, including hosting servers**





Tendering for equipment acquisition



- We expect that tendering procedures for equipment purchase are **carried out by Partner Countries HEIs**.
- The purchase should take place in the beneficiary countries.

When equipment is not available in the partner countries, EU countries should be considered as an option



SUBCONTRACTING

Implementation of specific tasks, by third party, to which a contract is awarded by one/several beneficiaries

Examples:

- Evaluation activities/auditing
- IT courses, Language courses
- Printing, publishing and dissemination activities
- Translation services
- Web design and maintenance

Not foreseen in the application? → Prior authorisation from Agency



Tasks that cannot be performed by Beneficiaries
NO project-management related tasks



Subcontracting



For values between EUR 25.000 and EUR 134.000:

- launch a tendering procedure
- obtain competitive offers from at least 3 suppliers
- retain the offer providing best value for money
- observe the principles of transparency and equal treatment
- avoid conflicts of interests



SUPPORTING DOCUMENTS

Equipment

- Invoice(s) and proofs of payment
- > EUR 25.000 < EUR 134.000: tendering procedure and three quotations from different suppliers
- EUR 134.000: procedure according to national legislation
- Registration in the inventory

Subcontracting

- Invoice(s), subcontracts and proofs of payment
- > EUR 25.000 < EUR 134.000: tendering procedure and three quotations from different suppliers
- EUR 134.000: procedure according to national legislation
- Travel activities of subcontracted service provider: copies of travel tickets, boarding passes, invoices and receipts

To keep with project
accounts

To send with Final Financial statement:

>EUR 25.000: invoices, (subcontracts for subcontracting), competitive offers
Any prior authorisation from the Agency



VAT (VALUE ADDED TAX)

- VAT can only be claimed if it cannot be recovered by a beneficiary
- If VAT is claimed under the project, in case of sampling of supporting documents, the Agency/Auditor will request an official document from **national tax authorities** stating that the institution concerned can not recover VAT
- **Alternative options:**
 - ✓ *Specific declaration of refused claim for reimbursement by tax authorities*
 - ✓ *Declaration on honour from institution concerned accompanied by an expert statement (e.g. certified auditor)*

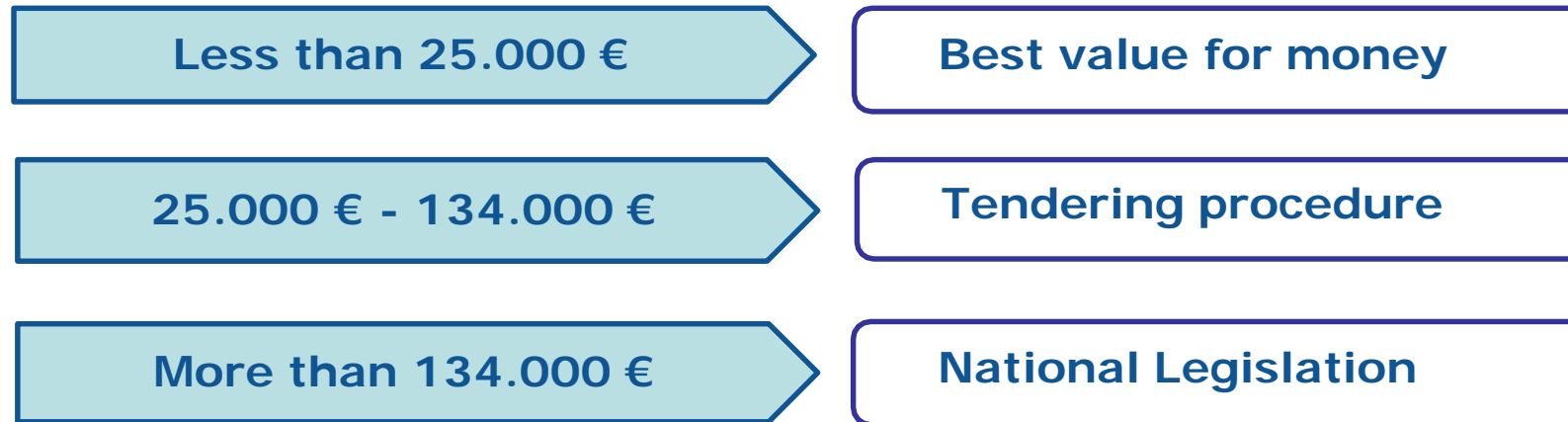


How to obtain an exemption for customs duties sales tax in Jordan:

- Inform companies that all equipment and serveries financed from the grant provided by the Erasmus+ are exempt from customs duties and other taxes, including the general sales tax. Therefore, the prices provided by the company to the university must not include customs duties and the general value-added sales tax (VAT).
- Upon completion of the tender resolution, the university should send an official letter to the NEO requesting to address the Customs Department and the General Sales Tax Department to obtain the required exemptions.
- You should provide us the company's name and tax number, in addition to a copy of the customs declaration or invoice, noting to:
 - Mention the project name, number, name of the beneficiary, and that it is funded by the Erasmus Plus program in in field number 9 of the customs declaration
 - Mention the project name, number, name of the beneficiary, and that it is funded by the Erasmus Plus
- The National Erasmus Plus office will prepare a cover letter for the Ministry of Planning and International Cooperation, which in turn addresses the Directorate of Customs and General Sales Tax.
- NEO will provides copies of these letters for the universities for follow up



TENDERING PROCUREMENT OF GOODS/SERVICES





Reallocation of the grant

Budget headings

Increase up to 10% of each heading automatically granted by the GA

For an increase of **more than 10%** an amendment has to be requested and fully justified

Among partners

Adjustments of the same order are possible

For modifications transforming the substance of the project, you need to **request EACEA's authorisation**

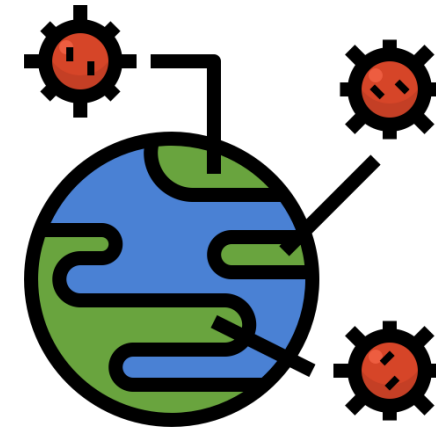


Covid pandemic: how to adapt ?



No amendment to the budget
at this stage

Instead, make use of the
10% flexibility automatically
granted by **art. 1.14** of
the **Grant Agreement**





In practice:

	Contractual amounts	Based on art. I.14	At final report you can reach
Staff costs	345.000	+ 34.500	379.500
Travels	125.000	decrease	101.100
Costs of stay	181.500	decrease	142.100
Equipment	210.000	+ 21.000	231.000
Subcontracting	78.000	+ 7.800	85.800
Exceptional costs	-	-	-
TOTAL	939.500	939.500	939.500





Novelties in the 2020 Grant Agreement

1. Exchange rates to be applied
2. Date of request for 2nd pre-financing
3. Audit certificate from each partner totalling more than 60.000 Euros of actual costs





Exchange rates to be applied – Art I.4.6

Reporting period 1: **from month 1 to month 21**

Reporting period 2: **from month 22 to month 36**

General accounts
NOT EURO

Average rate
in the corresponding
reporting period

General accounts
EURO

Usual accounting
practice in your
Institution

It means 2 different exchange
rates over the project duration



Request of 2nd pre-financing – Art. I.4.2

It must be submitted **within 60 days after the end of the Reporting period 1**

Max. **40% of the grant**
or **less** if actual budget
spent is below 70% of
the 1st pre-financing paid
by the Agency





Funded by the
Erasmus+ Programme
of the European Union



National Erasmus+ Office
Jordan

