

GUIDELINES FOR COMPLETING THE FINANCIAL STATEMENT FORMS FOR PAYMENT OF FURTHER PRE-FINANCING* AND FINAL BALANCE PAYMENT FOR ACTION GRANTS
--

* Check in Article 27.2 to 27.5 Common Provisions whether the grant agreement foresees further pre-financing payment!

Before completing the tables please read carefully the explanatory notes as follows:

- (1) For the preparation and submission of the final financial statement, **the use of the attached Excel-Workbook is compulsory**. In order to have a clear view of the budget consumption at any time during the implementation of the programme, it is recommended that you start completing the individual sheets from the beginning of the programme and update them regularly.

Please do not attach copies of invoices or time sheets to the final financial statement. You will be contacted by the Commission if supporting documents are required for the analysis of the financial statement.

- (2) Whenever requesting a payment (further pre-financing, interim or final), the following sheets of the Excel-Workbook **must be sent** to the Commission in a **paper version**:
 - the "Standard Payment Request and Financial Statement" (*completed, signed and dated by the coordinating beneficiary*),
 - the "Participant Cost Statement Summary" (*completed, signed and dated by each of the participants in the project, i.e. coordinating beneficiary and associated beneficiary/ies*).
 - the "Consolidated Cost Statement for the Action" (*completed, signed and dated by the coordinating beneficiary but only if the project involves associated beneficiary/ies*).

It is preferable (although not obligatory) to attach the other sheets of the Excel-Workbook in a paper version. In any case, the entire Excel-Workbook must be provided to the Commission in electronic format (in Excel, not as pdf-file), e.g. on a CD-Rom, memory stick or sent by e-mail.

- (3) The sheet "Standard Payment Request and Financial Statement" also serves as declaration of the interest yielded on the pre-financing amount. According to Article 23.7 of the Common Provisions the interest or equivalent benefits yielded by the pre-financing is not regarded as a receipt of the action, but remains the property of the Commission. At the time when the pre-financing amount is cleared by an interim or final payment, it must be reported to the Commission who will recover the interest amount or set it off against the payment (unless one of the exceptions specified in Article 23.7 applies).

If no interest has been yielded, please report "0" in order to avoid queries.

- (4) For payment requests for further pre-financing, please refer to sections (21) and (22) at the end of this note.
- (5) In case the project involves associated beneficiary/ies, each participant (coordinating beneficiary and each associated beneficiary) must complete an Excel-workbook to report their own individual costs. For the beneficiary there are additional instructions in section (20) at the end of this note.
- (6) For future reference remember to keep all working documents used in the preparation of the Excel-Workbook and an electronic version of it.
- (7) In all individual sheets, the Euro is used as the default national currency (and therefore, the default "exchange rate" is "1"). If the coordinating and/or associated beneficiary/ies have their accounts in other currencies, they shall convert the amounts into the Euro in accordance with Art.29.5 Common Provisions. The monthly accounting rate is published on InforEuro:

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

Each participant has the choice to convert the costs by using the monthly accounting rate established by the Commission either (1) for the month in which the statement of expenditure and income is presented to the Commission, or (2) or for the month in which the expenditure was incurred.

NEW: whilst Option (1) can be easily applied to the reporting of any cost category, option (2), i.e. the use of different monthly exchange rates, is more complex as regards the calculation of "personnel costs". To overcome this problem, the Excel-workbook (2009) contains an alternative (3 pages) calculation sheet (entitled "Alternative FR05 – Personnel") which may be applied only by coordinating and/or associated beneficiary/ies that have their accounts in other currencies than the Euro.

If you use the alternative calculation sheet, do not forget (a) to encode the monthly InforEuro exchange rate on the 3rd page and (b) to complete manually the total amount of the personnel costs in the sheet "participant cost statement summary"; (c) depending on the reporting period, you have to complete one calculation sheet per calendar year.

- (8) You are requested to complete all relevant sheets, providing all details and respecting the labelling of each column. Please note that the yellow cells generally contain formulas and should not be completed (unless explicitly specified in these guidelines). In principle, you should only complete non-coloured cells. For example, in the sheet "Participant Cost Statement Summary", you should only complete the name of the participant and the amount of "indirect costs/ overheads". All other cells (in yellow) will be updated automatically when you complete the other sheets of the workbook.
- (9) The indirect costs/ overheads relate to costs which cannot be directly and exclusively allocated to the project. Typical examples of such costs are normal office supplies, office rent, telephones, IT, electricity, heating etc. This list is not exhaustive! Indirect costs / overheads are eligible up to a maximum of 7% of the total amount of eligible direct costs of each participant. It should be borne in mind that this amount cannot in absolute and relative terms exceed the actual amount or rate of indirect costs / overheads for each participant.
- (10) All amounts, where applicable, should be excluding VAT, unless the participants (coordinating and/or associated beneficiary/ies) can show that they are not able to recover VAT. In this case the amount can include VAT, but documentation must be provided for each participant (coordinating and/or associated beneficiary/ies) claiming that VAT cannot be recovered. Information on the VAT-status is requested on the sheet "participant cost statement summary".
- (11) As a general rule, in order for costs to be considered eligible, they must have been actually incurred and paid, (i.e. it must be possible to establish proof of payment = transfer of money) before the submission of the final financial statement.
- (12) Additional rows can be added to the individual sheets by using the insert rows function in excel. Please remember to insert these rows after the first and before the last row of the existing sheet in order not to disturb the formulas contained in the table. Please also re-number the sequential number column.

- (13) Sheet "personnel costs": for the calculation of the "annual gross salary", the "annual number of working time units" and the "time unit rates", you can use the following table:

A	Annual salary before tax for the relevant calendar year including 13 th (or more) month salary.	
B	+ social charges	
C	+ pension contribution	
D	+ holiday allowance	
E	+ Other	
F = sum of A to E	= annual gross salary	
G	Annual time units (*)	
H	Holidays	
I	Week-ends	
J	Bank holidays	
K = G-(H+I+J)	Annual number of working time units	
L=F/K	Time unit rate(s)	

(*) For illustration purposes, the annual number of working hours could be calculated in the following way: *from the total number of 52 weeks in a calendar year, deduct 5 weeks of holiday and 2 weeks of bank (public) holidays, which results in 45 working weeks. 5 working days per week gives 225 working days, and 7.5 hours per working day gives 1.687,5 working hours.* This calculation can of course vary since it depends on the specific conditions applicable to each individual employer. Please note that deduction of days for sickness may also be considered if applicable based on contractual terms. This would normally account for no more than 2 weeks.

- (14) If staff are employed on a contractual basis (e.g. short-term work contract), the methodology described in point 13 does not necessarily apply. The starting point should be the time unit agreed in the contract (and stated in column F) or the final amount paid according to the contract (and stated in column J neglecting that the cell contains a formula). Details of the contract should be explained in column D. An annual equivalent salary should not be calculated.
- (15) Despite the specification in columns M-Y in the sheet "Personnel", separate individual time sheets per employee involved in the project must be kept. If your organisation does not operate with time sheets, you are invited to use the model time sheet provided in a separate sheet at the end of this workbook. Please do not attach copies of the time sheets to the final financial statement. It should be stressed that time sheets are mandatory if personnel costs are to be considered as eligible for co-funding for both contractual and permanent personnel. For contractual employees a copy of the contract should be kept as a working document. Should you use in the sheet "personnel" a different time unit than for your organisation's time registration (e.g. days instead of hours), you should provide an explanation on the conversion calculation (e.g. 1 day equal to 7.5 hours/8 hours etc.).
- (16) In sheet "Equipment" it should be stressed that only depreciation costs for equipment purchased and used during the lifespan of the project should be recorded in this cost category. The description of the methodology used for the calculation of the depreciated costs (column) should indicate the various factors used in the calculation, e.g. lifespan in years, percentage of use for the project.
- (17) "In-kind" contributions and costs not included in the budget (ineligible costs) should be reported in the sheet bearing the same name. Even though these costs are not part of the calculation of the total eligible costs of the project/ action, they are, however, important when

establishing whether or not any of the participants has generated a profit during the project. Please note that this category in principle could include costs from all other cost categories. Since the layout of the sheet is rather generic, please provide for each item concerned a sufficient description.

- (18) In sheet “funding from other sources”, revenues from other sources than the Commission contribution and the coordinating and/ or associated beneficiaries' own financing of the project should be reported whether these revenues have already been received or if they are expected to be received. This information is important in assessing the profit situation of each participant in the project.
- (19) The sheet “calculation of payment” contains the calculation sheet for the final grant amount, but is for the *Commission use only*. It is included in the Excel-workbook for information purposes only. Even though this sheet contains formulae which calculate a possible final grant amount this calculation cannot be considered as the final amount payable until the Commission has completed its assessment of the financial statement, which may result in the re-classification or disallowance of some or all costs claimed, should these prove to be ineligible.

Instructions for coordinating beneficiaries in case one or several associated beneficiaries participate in the project.
--

- (20) In case there are one or several associated beneficiaries in the project, the final financial statement shall comprise an individual Excel-Workbook completed by each of the participants (i.e. coordinating beneficiary and associated beneficiary/ies). On the basis of the individual Excel workbooks, the coordinating beneficiary shall produce a “consolidated cost statement” and annex it to the payment request. The relevant table is provided in a separate sheet at the end of the work book and is named “consolidated cost statement”. The coordinating beneficiary is requested to complete this sheet by adding up the summary sheet of each participant, and that will finally constitute the total costs and revenues of the project. The coordinating beneficiary is reminded that they bear the financial responsibility towards the Commission. Therefore, a system to monitor and check associated beneficiaries' expenditure is recommended.

In case the payment request relates to a further pre-financing*
--

*Check in Article 27 Common Provisions whether the grant agreement foresees further pre-financing payment !

- (21) The financial statement forms also serve as the documentation required to release the further pre-financing amount referred to in Article 27.5 which requires that 150 % of the pre-financing amount in Article 27.3 has been consumed. This documentation has to be supplied at the same time as the mid-term report mentioned in Article 11.3 and together with the request for further pre-financing. The instructions for completing the individual forms contained in this note above also apply to the financial statement forms needed for a request for payment for further pre-financing.
- (22) When the documents in (21) are drawn up and sent to the Commission you just continue to fill in the tables until the end of the project as these should then serve as the documents referred to in (1).