



Approaching the project end: Main Financial Challenges

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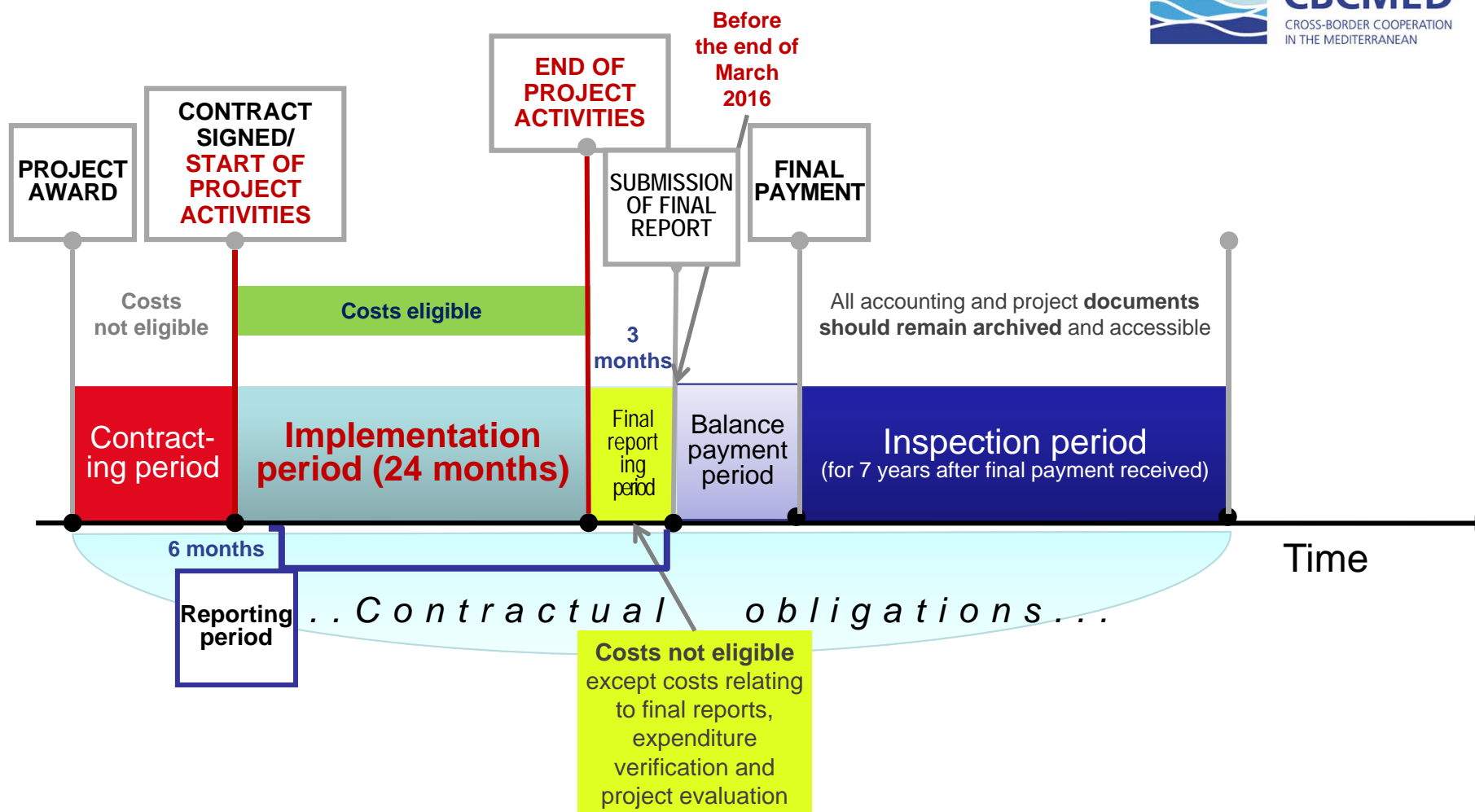
University of Nicosia , 19-20/03/2015

Presentation Overview



- **Contingency reserve funds: how and when**
- **1st Interim report and Final one**
- **Budget amendments: last chance**

PROJECT TIMELINE AT A GLANCE



Contingency reserve funds



Reminder on How and When

Contingency Reserve (art. 14.3 of G.C.)



- can be used – i.e.: transferred to a direct cost budget heading – **only when there is an unforeseeable circumstance that budget saving cannot cover;**
- only via prior approval by the JMA (a template will be provided to the Beneficiary upon request)
- The request must contain the indication of amount to be allocated to direct costs (BL 1 to 7) and the organization (Ben or PP/s) managing these costs.

Request for use of contingency reserve : pre-conditions



- To face exceptional situations;
- Activity/service needed for the implementation of the project – the activity foreseen in the project cannot be implemented;
- To be prior approval by the JMA – **the unforeseen costs cannot be made until the approval of the JMA** (no approval for already incurred costs).

Request for use of contingency reserve : pre-conditions



PROCEDURE TO APPLY

- Beneficiary only can request, via email, to the JTS project and financial officers the template to submit the formal request.
- In particular before sending the format for the use of the contingency the JTS officers **will ask the Beneficiary to confirm that:**

Request for use of contingency reserve : pre-conditions



1. The Partner/Beneficiary which needs to use the contingency reserve to cover these unforeseen expenses has no savings in the same cost category;
2. The Partner/Beneficiary which needs to use the contingency reserve to cover these unforeseen expenses has no savings in a different cost category from the one to which the contingency reserve has to be allocated;
3. None of the Partners nor the Beneficiary has any savings in the budget which could be transferred to the beneficiary/partner willing to cover these unforeseen expenses to face exceptional situations;

Request for use of contingency reserve : pre-conditions



If the Beneficiary confirms that not even one of the mentioned 3 options before is applicable, the JTS will provide the format to request the use of the contingency reserve.

In the event the Beneficiary can adopt one of the 3 options mentioned before, it shall verify with the JTS if the shift can be considered as a minor change (depending on the percentage and on the type of impact on project expected results).

State of play and main challenges



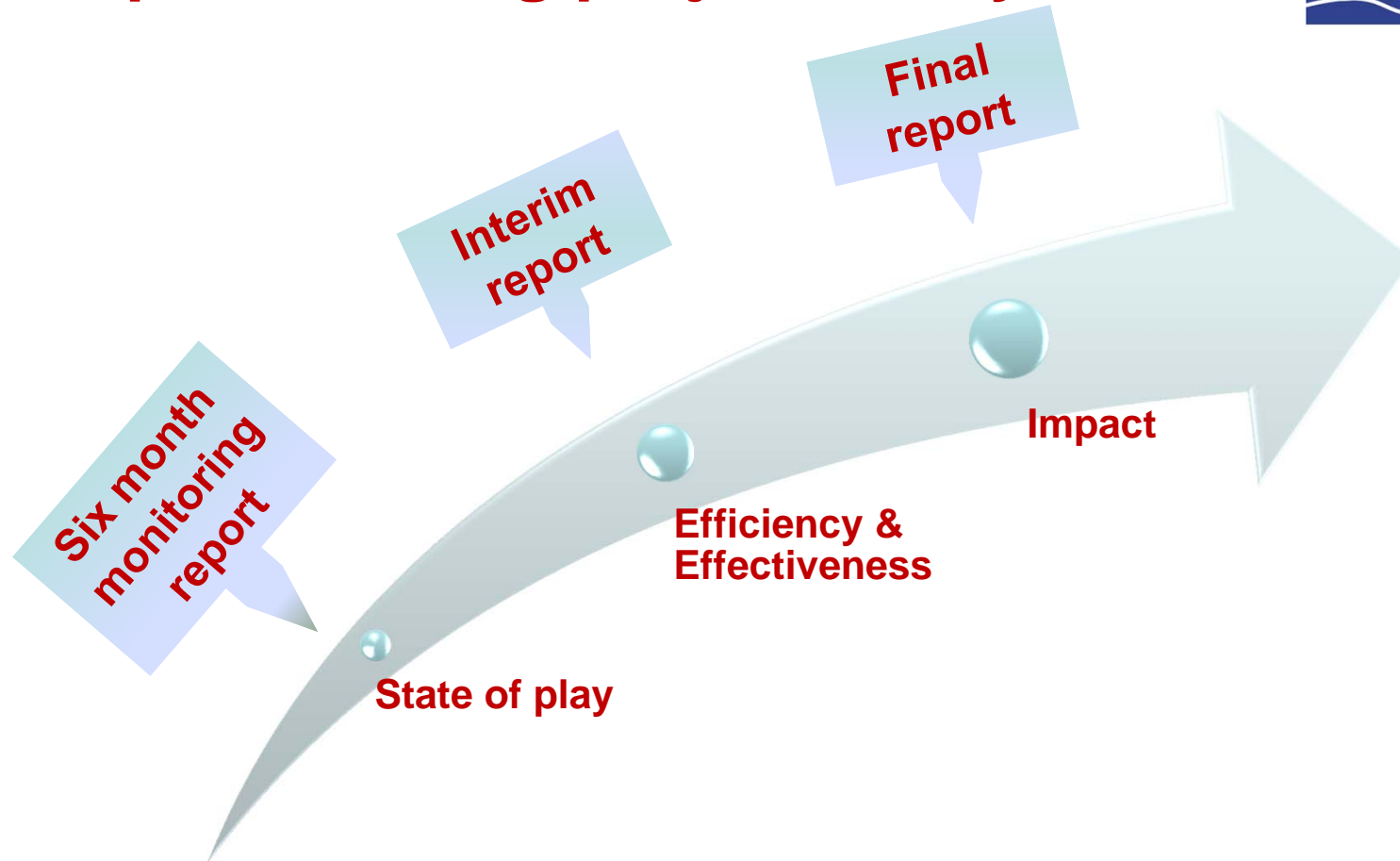
<i>OVERALL TOTAL FUND FOR WATER-DROP</i>	<i>€ 71.639,50 = 4,01% OF TOTAL DIRECT ELIGIBLE COSTS</i>
<i>ADDITIONAL AND/OR UNEXPECTED ACTIVITIES TO BE IMPLEMENTED BY THE END OF THE PROJECT</i>	<i>ACTION PLAN TO BE REVISED ? TIME TO BRAINSTORM</i>
<i>ANY SAVING EXPECTED IN 2015 TO COMPLETE CURRENT TASK AS ASSIGNED?</i>	<i>A DETAILED SURVEY WILL BE LAUNCHED BY THE BENEFICIARY RATHER AFTER THE DELIVERY OF THE FIRST INTERIM REPORT</i>

1st Interim Report and ... Final one ?



Reminder on Reporting Timeline

Type of ENPI MED JMA/JTS reports required during project life cycle:



State of play and main challenges



NEXT 6 MONTHS REPORTS IS EXPECTED BY JUNE THE 30TH

1ST INTERIM REPORT IS DOABLE ONLY WHEN THE LEVEL OF PROJECT EXPENDITURE IS = TO 70% OF THE 1° PRE-FINANCING IN ENPI SHARE AS RECEIVED

TIME CONSTRAINTS FOR DRAFTING AND FINALIZE A PROPER E.V.R IS THE KEY TO MINIMIZE THE RISK OF LACK OF CASH FLOW

**THE RELATED TEMPLATE AS RECENTLY IMPROVED. MORE INFORMATION IS NEEDED
PLEASE SUPPORT THE BENEFICIARY**

FOR WATER-DROP: €638.563,22

***0,70/0,90= €496.660,29**

- **SHOULD FEBRUARY 2015 BE INCLUDED ?**
- **PLEASE PLAN A PROPER FORECAST**

MAIN AIM IS TO DELIVER THE INTERIM REPORT NO LATER THAN MID-MAY 2015

Interim Skype Meeting Basic Calendar Matrix



DAY N

THE BENEFICIARY RECEIVES THE OFFICIAL INTERIM PACKAGE FROM THE JMA

DAY N + 1 WORKING DAY

THE BENEFICIARY PROVIDES OFFICIALLY EACH PARTNER WITH THE PERTAINING PART OF IT

DAY N+1+10 WORKING DAYS

- **THE PP PACKAGE IS DULY FILLED IN AND SENT TO THE BEN.**
- **THE AUDITOR PERFORMS ITS CHECKS AND DRAFTS THE E.V.R WHICH IS SENT TO THE BEN.**

FROM DAY 1+10 TO 1+20

- **1° ROUND (AND 2° IF NEEDED) OF SKYPE MEETINGS IS SCHEDULED AND PERFORMED**
- **IF NEEDED, THE E.V.R IS REVISED ACCORDINGLY AND FINAL VERSION PROVIDED TO THE BEN.**

FROM DAY 20+1 TO 1+25

THE PACKAGE IS CONSOLIDATED BY THE BEN. (PARTNERS PACKAGE + CONSOLIDATED FILES)

FROM DAY 25+1 TO 1+30

THE PACKAGE IS OFFICIALLY DELIVERED TO THE JMA FOR CHECKS (SOME CONTINGENCY DAYS ARE ALREADY INCLUDED)

Budget amendments: last chance



Modifications to the Project and amendment of the Grant Contract

Reasons for project modifications



- time constraints;
- some activities cannot be carried out;
- withdrawal of a partner;
- budget needs: some partners are overspending, some underspending in different Activities/BLs (In P.A.: *The PPs shall inform the Beneficiary immediately when any need for an amendment of the project budget occurs*).
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Amendments to the Grant Contract: overview



MAJOR CHANGES

Budget change >15%
Partnership change
Duration
Content output/results/Indicators



PRIOR (AT LEAST 30 CALENDAR DAYS)
OFFICIAL NOTIFICATION TO JTS-JMA:

+ Explicative Report
+ Financial annex

MUST BE APPROVED BY THE JMC
BEFORE IT ENTERS INTO FORCE



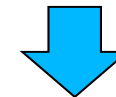
Addendum to Grant Contract

MINOR CHANGES

Budget change < 15%
Slight modification to activities (no influence on output/results/indicators)
Contact details
Events



NOTIFICATION TO THE JTS AND
JMA WITHIN 30 CALENDAR DAYS
AFTER IT HAS OCCURED



No addendum to Grant Contract

BUDGET: MAJOR OR MINOR CHANGE ?



CALCULATION OF THE 15% LIMIT FOR EACH PARTNER - EXAMPLE				
PARTNER	Overall approved budget (A)	total budget without administrative costs and contingency reserve (B)	- 15% limit (= 85% of B)	+ 15% limit (= 115% of B)
applicant	€ 600.000,00	€ 530.000,00	€ 450.500,00	€ 609.500,00
pp1	€ 300.000,00	€ 285.000,00	€ 242.250,00	€ 327.750,00
pp2	€ 400.000,00	€ 380.000,00	€ 323.000,00	€ 437.000,00
pp3	€ 350.000,00	€ 332.500,00	€ 282.625,00	€ 382.375,00
pp4	€ 200.000,00	€ 190.000,00	€ 161.500,00	€ 218.500,00
total	€ 1.850.000,00	€ 1.717.500,00	THE TOTAL SUM OF THE APPROVED BUDGET (A) AND OF THE TOTAL BUDGET (B) MUST NEVER CHANGE !	

BUDGET: MAJOR OR MINOR CHANGE ?



CALCULATION OF THE 15% LIMIT - EXAMPLE (PROJECT LEVEL)			
budget heading	approved budget	- 15% limit	+ 15% limit
1. Human resources	€ 900.000,00	€ 765.000,00	€ 1.035.000,00
2. Travel and subsistence	€ 170.000,00	€ 144.500,00	€ 195.500,00
3. Infrastructure	€ 60.000,00	€ 51.000,00	€ 69.000,00
4. Equipment and supplies	€ 185.000,00	€ 157.250,00	€ 212.750,00
5. Offices	€ -	€ -	€ -
6. Subcontracting	€ 400.000,00	€ 340.000,00	€ 460.000,00
7. Other	€ 2.500,00	€ 2.125,00	€ 2.875,00
8. Contingency	€ 40.000,00	N.A.	N.A.
9. Administrative costs	€ 92.500,00	N.A.	N.A.
Total	€ 1.850.000,00	THE TOTAL SUM OF THE APPROVED BUDGET MUST NEVER CHANGE !	

State of play and main challenges



ONLY MINOR/LIMITED REQUEST OF MODIFICATION ARE SUGGESTED BECAUSE OF THE DURATION OF THE PROCEDURE

THERE'S A NEW TEMPLATE TO FILL IN REQUIRING JUSTIFICATION. PLEASE SUPPORT THE BENEFICIARY

ANY REVISION NEEDED FROM PARTNERS IN 2015 ?

TIME TO NOTIFY THEM TO THE BENEFICIARY BEFORE THE FINAL VERSION OF YOUR INTERIM REPORT IN CASE OF OVERSPENDING

A PROJECT EXTENSION IS NOT ALLOWED SO FAR EVEN IF UNDER DISCUSSION FOR THE ENPI PROGRAMMES AS A WHOLE

THE FINAL REPORT IS EXPECTED BY THE END OF MARCH 2016 AT THE LATEST: WHAT ABOUT YOUR CASH FLOW ACTUAL STATUS?



***THANK YOU FOR
YOUR ATTENTION !!!***

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