



# Financial aspects Grants

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# Grant Application Guide and Forms



- ◆ Publication of Call for proposal on Civil Protection website => reference to Application Guide + Forms
  - ◆ Application forms consist of 3 parts
    - **A**ministrative
    - **T**echnical
    - **F**inancial
- The completed forms will be part of grant agreement !
- ◆ Application file reflects Community legal provisions governing grants (Financial Regulation/ Implementing Rules)



# Conditions for selection



- ◆ Legal existence
- ◆ Compliance with law/contractual obligations  
*=> Art. 93, 94 FR (e.g. not bankrupt; not convicted for professional misconduct/ fraud / corruption etc.; compliance with tax/ social security obligations)*
- ◆ Financial soundness *=> concerns mainly private applicants: e.g. sufficient financial resources; balance sheet + profit & loss account, (audit report)*
- ◆ Completeness of proposal



# Project participants



- ◆ **Coordinating beneficiary (“CO”) => submits proposal**
- ◆ **Associated beneficiary/ beneficiaries (“AB”)**
  - ◆ Co-financier(s)
  - ◆ Sub-contractor(s)
- ◆ Through a signed **mandate**, AB **grants power of attorney** to CO
  - to act in their name and for their account in signing grant agreement
  - to take full legal responsibility for implementation of agreement
  - to receive funds from the Commission and to distribute appropriate amounts
- ◆ CO and AB conclude **written agreements** describing technical and financial participation (collaboration) in the project => model agreement is part of documents published with call for proposals



# Roles and obligations (1)



- ◆ **CO = solely legally and financially responsible** for full implementation of the project measures
- ◆ **CO = single point of contact** for the Commission
- ◆ **AB = directly involved** in technical implementation of one or more tasks
  
- ◆ **Common obligations for CO and AB**
  - **Contribute financially** to the project => **No Profit**, i.e. income (from EU-funding, contributions from co-financier(s) or other income) shall not exceed costs incurred
  - Are **not allowed to act**, in the context of the project, as **sub-contractor or supplier** to CO or other AB
  - Maintain **up-to-date books of account** and keep **supporting documents** for expenditure and income => CO keeps copies of AB supporting documents



## Roles and obligations (2)



### ◆ **Co-financier**

- only financial contribution to the project
- not directly involved in the technical implementation

### ◆ **Sub-contractor**

- person or organisation providing an external service
- CO / AB pay for services => **sub-contractor can make profit**

### ◆ **Other “Participants” in project activities**

- Persons / organisations  $\neq$  CO or AB
- participating in conference, workshop, steering committee, simulation exercise
- Costs reimbursed by CO or AB



# Administrative Forms



- **A1:** one page overview of the project
  - **A2:** CO declaration \*
  - **A3:** AB declaration \* **and** Mandate to CO
- \* (incl. declaration on exclusion criteria, on own financial contribution, on written agreements between CO and AB)
- **A4/A5:** CO and AB profile information
  - **A6:** Co-financer profile and commitment form
  - **A7:** Information on previous or current co-financing
  - **A8:** Endorsement from competent national civil protection Authority
  - **A9:** Financial Identification (bank account) form
  - **A10:** Legal Entity form
  - **A11:** acknowledgement of receipt



# Project budget



- ◆ Project budget => Breakdown of activities in estimated costs
- ◆ One budget for entire project => estimated costs of CO and all AB(s)
- ◆ Costs and Income (funding) must be balanced
- ◆ Funding rate and requested EU-contribution according to original budget proposal cannot be increased later on
- ◆ Estimate should be as realistic as possible => avoid over-/ under-estimate; use past experience and evidence
- ◆ Breakdown into individual cost items as detailed as possible
- ◆ Use **F**inancial forms



# Financial Forms



- ◆ F0 - Budget of the Action
- ◆ F1 - Sources of funding (except EU-funding)
- ◆ F2a/b – Budget break-down per Task/Action
- ◆ F3 - Personnel
- ◆ F4 - Travel and subsistence
- ◆ F5 - Equipment
- ◆ F6 - Subcontracting / External Assistance
- ◆ F7 - Other direct costs
- ◆ F8 - “In-kind” contributions / costs not included in the budget
- ◆ F9 - Simplified balance sheet and profit and loss account \*

\* only for applicants with status “private”



# Eligible costs



- ◆ **Provided for in estimated budget**
- ◆ **Directly linked and necessary for project**
- ◆ **Reasonable** and comply with principles of **sound financial management** => “value for money”
- ◆ **Compliant with applicable tax and social legislation**
- ◆ **Generated during lifetime of action**
- ◆ **Actually incurred** => includes payment
- ◆ **Identifiable and verifiable** => functioning financial and analytical accounting system in place; supporting documents must be kept



# Personnel costs



- ◆ Permanent staff, temporary working contract, service contract with individuals working intra-muros;
- ◆ ATTENTION: external consultants or staff provided by commercial employment agencies => Sub-contracting
- ◆ **Salary costs of civil servants** may be considered only to the extent that they relate to activities which the relevant public authority would not carry out if the project were not undertaken”
  
- ◆ Estimate of costs based on three different elements:
  - Gross annual salary incl. obligatory social charges
  - Annual working days
  - Working days for project



# Further cost categories



- ◆ **Travel and subsistence** => details required on reason/ purpose, destinations, number of persons, travel costs, subsistence costs (e.g. use of per diem)
- ◆ **Equipment** => durable goods, clear description of item required; full estimated purchase cost; depreciation rate
- ◆ **Sub-contracting/ External assistance** => relate to purchase of services, not of goods; respect rules on public procurement
- ◆ **Other direct costs** => other direct costs not falling within another defined cost category
- ◆ **(Overheads)** = Costs that cannot be directly and exclusively attributed to the project, e.g. communication costs, costs linked with buildings, administrative costs => Maximum amount: **7%** of total amount of eligible direct costs



# Frequent mistakes



- ◆ Not all forms A, T, F submitted => forms not applicable for the proposal should be submitted “empty”
- ◆ Missing signatures, dates, stamps
- ◆ Project period: start date too early and duration too short (should include time required for final report)
- ◆ Right choice of partnership (associated beneficiary or sub-contractor?)
  
- ◆ Financial Forms F:
  - Description of individual cost items/ unit prices too general
  - Individual cost items/ unit prices without sufficient detail
  - Direct link / necessity for the project not clear
  - Costs attributed to the wrong cost category
  - Typical overheads allocated to “direct” cost category



# Example



## Subcontracting/External assistance

A	B	C	D	E
Coordinating / Associated Beneficiary reference	Provider/procedure	Description of service subcontracted	Total cost €	Reference to Task ID / Action
<b>GOOD EXAMPLES</b>				
CO	framework agreement	Rent (room, venues)	<b>17.000</b>	C1
CO	direct treaty	rent of exercise site	<b>5.000</b>	C1
CO	call for tender	transport and rent of equipment (100 tents, technical equipment, materials)	<b>37.000</b>	C1
CO	call for tender	Meals (for 250 participants, 3 days, 3 meals per day)	<b>27.000</b>	C1
CO	framework agreement	fuel costs	<b>11.000</b>	C1
CO	direct treaty	sanitary services	<b>4.500</b>	C1
CO	direct treaty	security services	<b>7.000</b>	C1
CO	direct treaty	medical services	<b>4.500</b>	C1
CO	framework agreement	accommodation for VIPs	<b>12.000</b>	C1
<b>BAD EXAMPLE</b>				
CO	<b>direct treaty</b>	<b>organisation of exercise</b>	<b>125.000</b>	C1
<b>TOTAL</b>			<b>250.000</b>	



# Contacts



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