

JNCC took on the UK LIFE National Contact Point from 01 January 2016 and these presentations/documents are from events under the previous LIFE NCP, Beta Technology. For further information on UK LIFE please see the dedicated webpages at: jncc.defra.gov.uk/UKLIFE

Practical tips on financial management of a LIFE project

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Our Team's Project Portfolio

- ➔ National External Funding Governance Team – set up in 2009
- ➔ Based in Exeter, 4.5 FTEs currently
- ➔ Main funding streams – LIFE+ (approx 60%), Interreg (approx 25%), FP6 & 7 (approx 5%), UK funded, e.g HLF (approx 10%)

This Presentation – 2 sections

- SECTION A: The Bid – Building a budget
- SECTION B: Managing the finances on a successful LIFE project

SECTION A: The Bid – Project Participants

All beneficiaries :

➔ Are jointly & severally responsible for carrying out the project

➔ Must contribute >€0 to the project from own funds

Co-ordinating Beneficiary

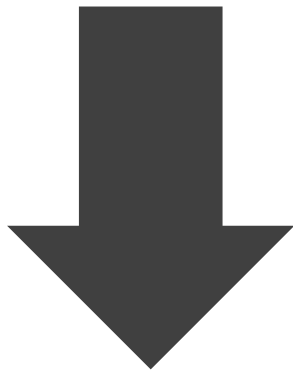
Associated Beneficiary

NEW! Affiliates

Co-financers

SECTION A: The Bid – EU Funding Rates

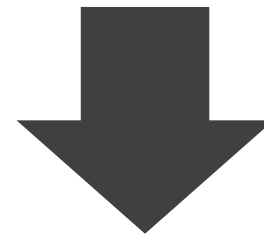
ALL PROJECT
STRANDS



NEW!

60%

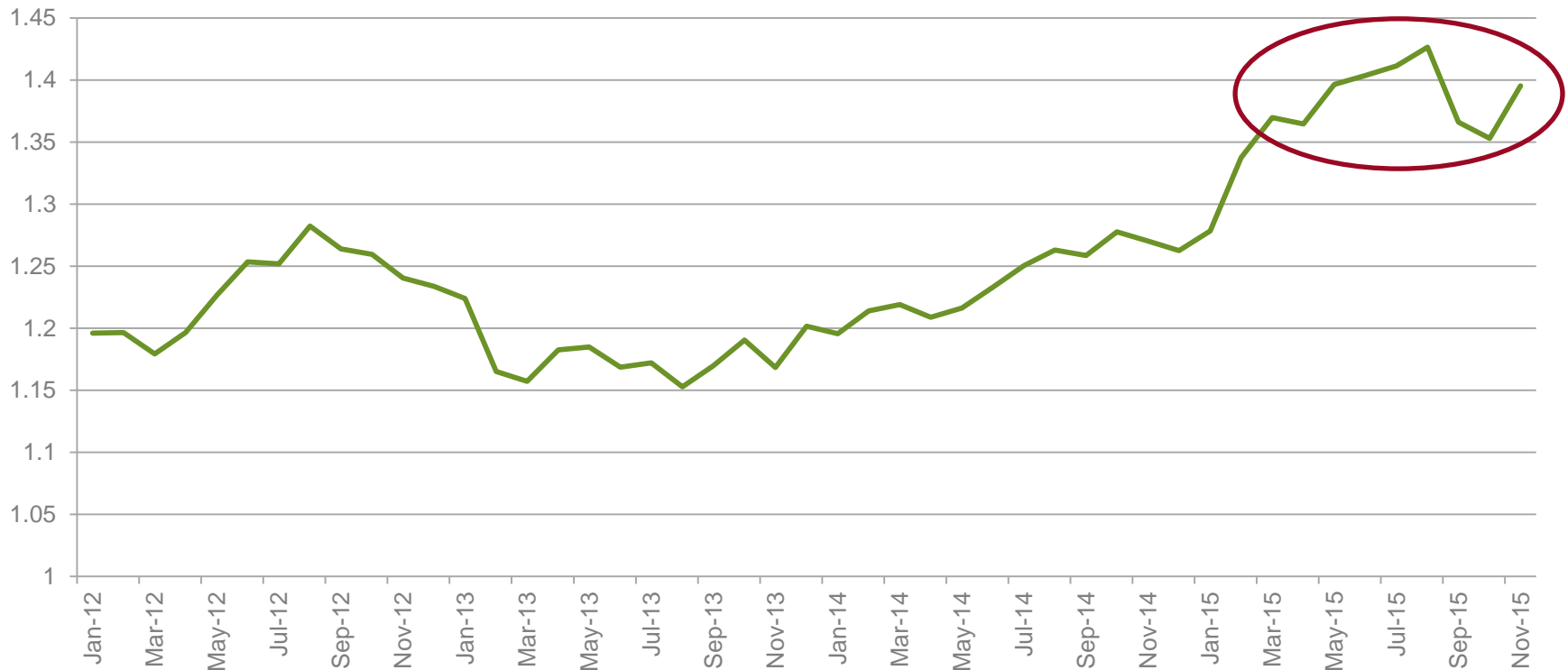
NATURE &
BIODIVERSITY –
conservation
priority species



75%

SECTION A: The Bid – Exchange rates

You can pick your own exchange rate for the bid....but be careful.....



SECTION A: The Bid – Budget Headings

Eligible direct costs must fit into one of the following budget headings:

- F1 – Personnel
- F2 – Travel & Subsistence
- F3 – External Assistance
- F4 – Durable Goods: Infrastructure, Equipment, Prototype
- F5 – Land Purchase
- F6 – Consumables
- F7 – Other Costs
- F8 – Overheads (7% of Direct costs above)

SECTION A: The Bid – Budget Headings

F1 – Personnel

Include: Gross Salary + Employer's Cost (National Insurance + Pension contributions)

- All project time must be allocated over each action (in days)

ACTION	Type of contract	Category / Role in the project	Daily Rate	Number of person days	DIRECT PERSONNEL COSTS
E2 – Project Reporting	Permanent	Project Manager	€200	700	€140,000

				DAYS SPENT ON TASK										
Beneficiary	Job Title	FTE%	DAYS BUDGETED TO PROJECT	A1	A2	B1	B2	B3	C1	D1	D2	E1	E2	e3
				Capitalise on results of relevant projects	Estsablish the project's audience	Establish a platform for cooperation	Working groups	Annual conferences	Monitoring of project impact	Communicate and disseminate project results	Network with other LIFE and/or non-LIFE projects	Project management	Compile information for indicate tables	After LIFE comms plan
EA	ENPE Project Manager	100%	1,100	10	28	110	132	110	110	110	40	440	5	5
EA	Finance Manager	20%	220	-	-	33	-	22	-	-	-	163	2	-
EA	Prosecutor	5%	50	-	-	14	14	22	-	-	-	-	-	-
EA	Procurement Officer	1%	11	10	-	1	-	-	-	-	-	-	-	-
EA	Project Executive	10%	110	6	14	14	11	22	13	-	19	11	-	-
EA	Project Administrator	20%	220	-	-	22	33	22	-	55	-	88	-	-
EA	Commercial Legal Support	1%	6	3	-	-	-	-	-	-	-	3	-	-
EA	ENPE Project Sponsor	1%	6	-	-	-	-	6	-	-	-	-	-	-

SECTION A: The Bid – Personnel 2% rule

For Public Bodies only (combined costs & contributions)

*“ The sum of public contributions as beneficiaries to the project must exceed by at least 2% the sum of salary costs charged to the project for employees who are not considered ‘**additional**’*

ADDITIONAL personnel includes all permanent & temporary employees of public bodies whose contracts/contract renewals:

- ✓ Start on or after the start date of the project

AND

- ✓ Specifically seconded to the project

SECTION A: Personnel 2% rule

THE 'PERFECT' LIFE BUDGET!!!!???

Budget Heading	Direct Costs (€000)	% of budget spend
Personnel (all permanent staff)	€ 38	38%
Travel & Subsistence	€ 10	10%
External Assistance	€ 35	35%
Consumables	€ 5	5%
Other costs	€ 5	5%
Overheads	€ 7	7%
TOTAL COSTS	€ 100	

Beneficiary contribution (40%) € 40

Maximum Possible Permanent Staff costs

(= €40 * 100/102)

€ 39

2% rule compliant?

YES

SECTION A: Personnel 2% rule

HIGH PERMANENT STAFF COST

Budget Heading	Direct Costs (€000)	% of budget spend
Personnel (all permanent staff)	€ 50	50%
Travel & Subsistence	€ 6	6%
External Assistance	€ 25	25%
Consumables	€ 6	6%
Other costs	€ 6	6%
Overheads	€ 7	7%
TOTAL COSTS	€ 100	

Beneficiary contribution (40%)	€	40
Maximum Possible Permanent Staff costs (= €40k * 100/102)	€	39

2% rule compliant? **NO**

SECTION A: Personnel 2% rule

Move €12 of personnel costs to 'Additional'

Budget Heading	Direct Costs (€000)	% of budget spend	Permanent Staff	Additional Staff
Personnel (all permanent staff)	€ 50		€38	€12
Travel & Subsistence	€ 6	6%		
External Assistance	€ 25	25%		
Consumables	€ 6	6%		
Other costs	€ 6	6%		
Overheads	€ 7	7%		
TOTAL COSTS	€ 100			

Beneficiary contribution (40%) € 40
 Maximum Possible Permanent Staff costs
 (= €40k * 100/102) € 39

2% rule compliant? YES

SECTION A: The Bid – Budget Headings

F2 – Travel & Subsistence

Include: According to the beneficiaries usual practices for travel

Most bids should include at least:

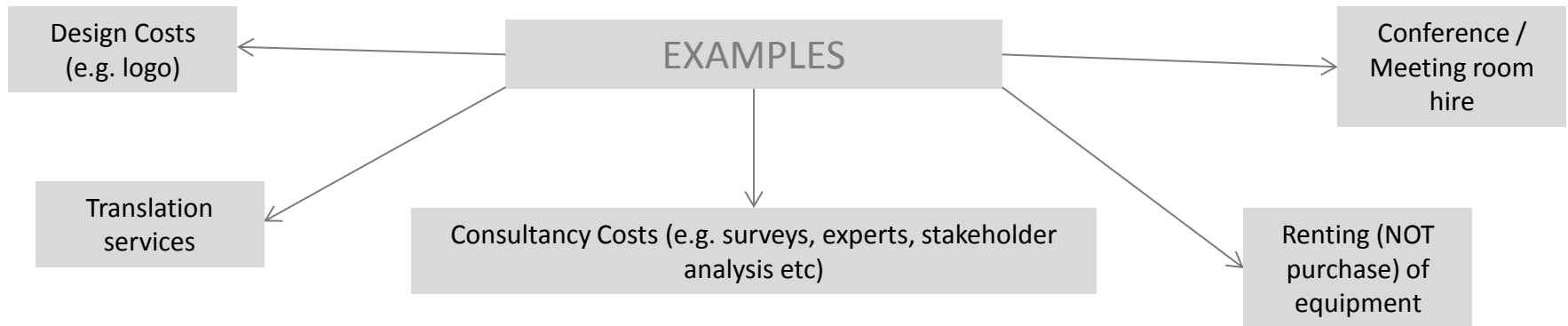
One trip for LIFE kick off meeting & Networking meetings with other LIFE projects

ACTION	Destination (From / To)	Purpose of travel (no trips, no staff, no days)	Travel Costs	Subsistence Costs
D1 – Networking with Other LIFE projects	Bristol, UK to Barcelona, Spain	Networking meeting with LIFE project LIFE11/ENV/ES. 2 trips, 2 staff, 3 days	€1000	€1000

SECTION A: The Bid – Budget Headings

F3 – External Assistance

- Limited to **35%** of the total budget – must justify if higher



ACTION	Procedure	Descriptions	Cost
D1	Public tender / Direct Treaty /Framework Contract	Design costs for project logo & website	€20,000

SECTION A: The Bid – Budget Headings

F4 – Durables Goods

F4. a - Infrastructure

e.g. fencing, foundations of installation

Depreciation limited to MAX 25% of the actual cost (so could be less)!

F4. b - Equipment

e.g. Measurement equipment, as Analyser

Depreciation limited to MAX 50% of the actual cost (so could be less)!

F4. c - Prototype

- An item of Infrastructure or Equipment specifically created for the project
- Not available as a 'serial' (off the shelf product)
- Not commercialised during the project

100% FUNDED FOR NATURE & BIODIVERSITY



Action Number	Tendering procedure	Description	Actual Cost £	Useful life of equipment (in years)	Years in use on project (can be a decimal)	Depreciation (Eligible Cost) £	Actual Cost €	Depreciation (Eligible Cost) €
C1	Framework	Purchase of 5 high frequency laser methane analysers	20,000	5	2	8,000	28,000	11,200

SECTION A: The Bid – Budget Headings

F5 – Land Purchase

Read the Grant Conditions very carefully!!

Proposal must include a letter from competent authority or notary confirming the price per hectare

F6 – Consumables

Examples include:

- Lab materials for testing
- Animal feed
- Service costs for Durable goods
- Materials for dissemination (e.g. if large printing costs)
- Fuel / batteries for equipment
- Catering costs for meetings

NOT for office supplies, telephone calls, etc (= F8 - 7% overheads)

SECTION A: The Bid – Budget Headings

F7 – Other Costs

Examples include:

- Conference Attendance / registration fees

NEW!

- External Audit costs

SECTION A: The Bid – SOME TIPS

- ❖ Choose Associated Beneficiaries carefully – consider having a de-minimus involvement (e.g. €10,000) - make sure they are aware of audit requirements
- ❖ Show AB's a copy of the declaration form they will be signing EARLY!!!
Particularly this line:

2. The associated beneficiary will contribute 21,619 € to the project. My organisation will participate in the implementation of the following actions: A1, A2, B1, B2, B3, D1, D2. The estimated total cost of my organisation's part in the implementation of the project is 54,047 €.

This does not necessarily mean cash – it means €21,619 of 'resources'

➤ Can be 'in-kind' (staff time) and / or cash

SECTION A: The Bid – SOME TIPS 2

- ❖ Don't forget – with LIFE 2014-20 for every individual action you must write 'Cost Estimation' into the technical form:

NEW!

“(max 2000 characters): Summarise the methodology used to estimate the main expenditures in this action”

May need to obtain quotes for work outlined in the finance forms (e.g. quotes for consultancy work, meeting rooms, equipment purchase)

- ❖ Update costs as early as possible into eProposal and save any last minute changes for close to the deadline (when the system gets very slow)
- ❖ Strongly suggest adding 6 month 'buffer' to project – 3 months to recruit project team, 3 months to write the final report
- ❖ Keep an Excel version of the eProposal finance forms as a 'working copy'
- ❖ Include Full time Project manager

SECTION B: Managing the finances on a successful LIFE project

SECTION B: Running a Successful LIFE project

- ✓ VAT – sort the VAT status of your partners as early as possible. If claiming Gross costs, must obtain a certificate from HMRC
- ✓ FINANCING PAYMENTS (project > €600k or 24 months)
 - First pre-financing payment – 30% of total grant
 - Second pre-financing payment – 40% of total grant
 - Final Balance – up to 30% of total grant
- ✓ AUDITORS: must be appointed by mid-term. Would recommend using local auditors if possible

SECTION B: Running a Successful LIFE project

- ✓ Keep in regular contact with your Astrale / NEEMO project monitor
- ✓ Personnel – update & sign timesheets regularly (every month)
- ✓ Travel – keep all your train ticket, boarding passes, meeting notes
- ✓ ALL OTHER COSTS - **Procurement, procurement, procurement!!!!**
Keep all your records – invitation to tenders, replies to tenders, contracts, payment schedules, copies of your own procurement rules, decision matrix, etc etc etc!
- ✓ **INVOICES – make sure you ask your supplier to include the project LIFE reference number on all invoices!!!!!!**

SECTION B: Running a Successful LIFE project

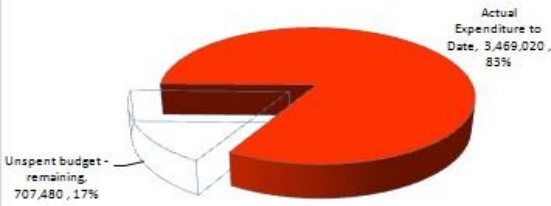
- ✓ Budget Amendments – “can transfer budget between beneficiaries and budget categories up to a limit of 20%” – Avoid if at all possible!!!!
- ✓ Collect financial info from ABs regularly (at least a quarterly basis)....allows better planning of reporting & identifying potential budget modifications early. E.g. Dash board.....

eDoc FINANCE DASHBOARD - All Partners and Budget Headings

1 PROJECT STATUS

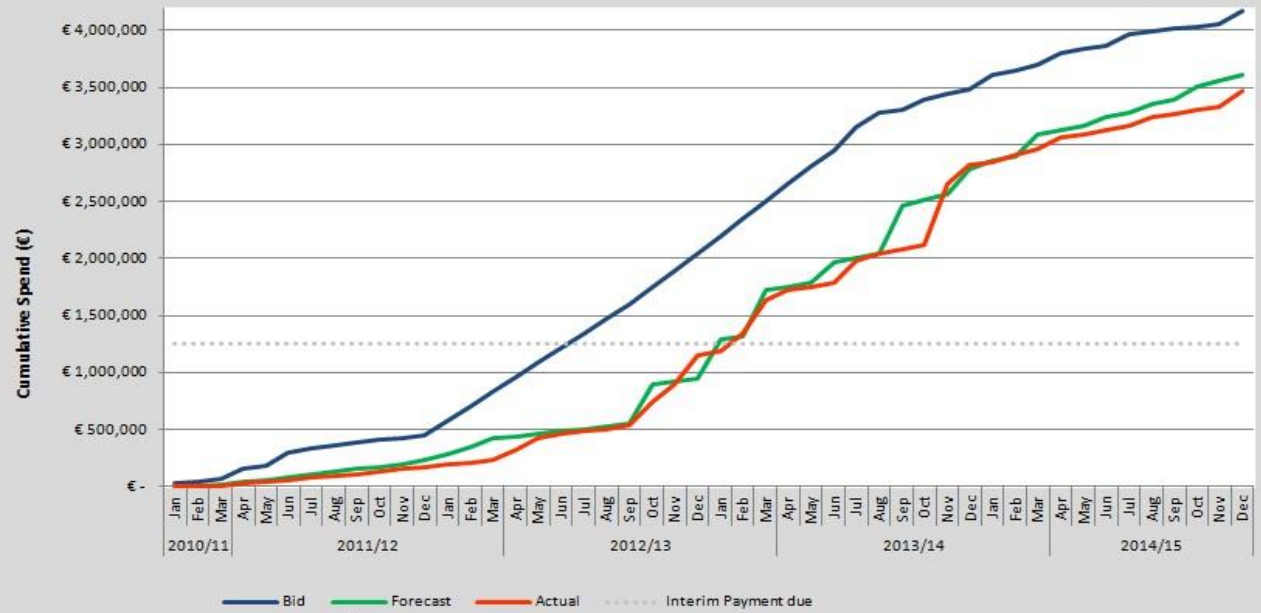
PROJECT TITLE eDoc

Project start date: 01-Jan-11
 Project end date: 18-Dec-14
 This report date: 18-Dec-14
 % of project time elapsed: 100%

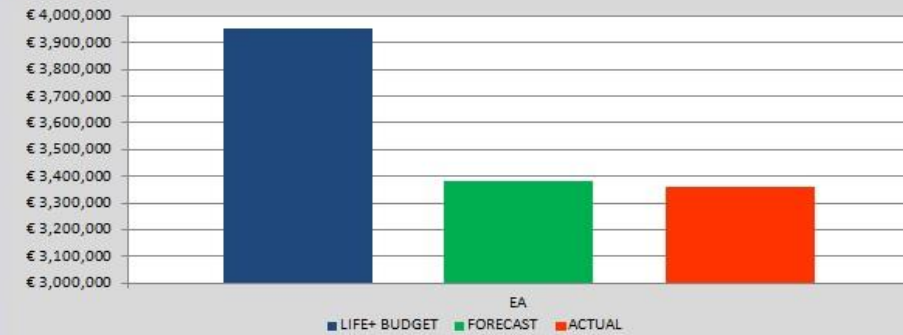


	TOTAL	% Total LIFE+ budget
LIFE+ BUDGET TOTAL	€ 4,176,500	-
FORECAST TOTAL EXPENDITURE	€ 3,607,069	86%
ACTUAL - expenditure to date	€ 3,469,020	83%

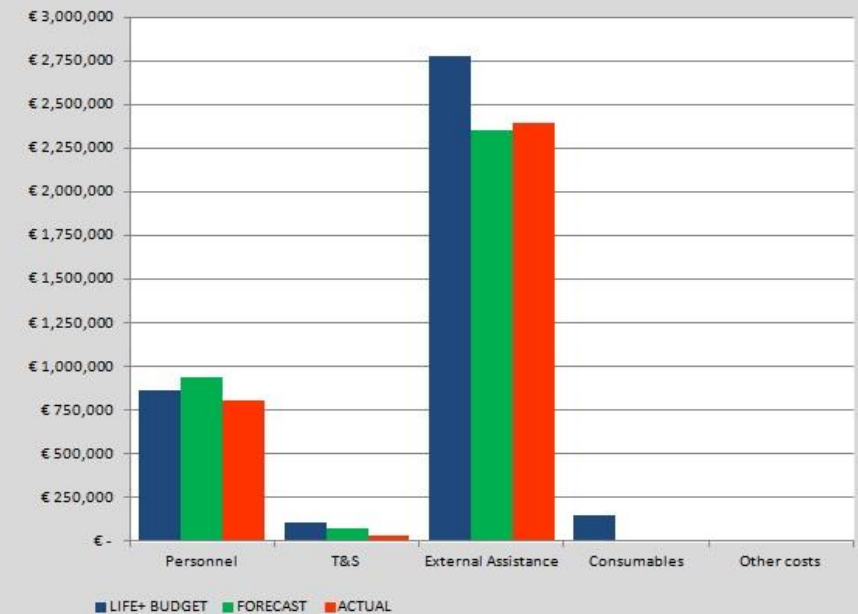
2 EXPENDITURE OVER TIME



3 TOTAL EXPENDITURE - By Partner



4 EXPENDITURE BY BUDGET HEADING - All Partners



ANY QUESTIONS???

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