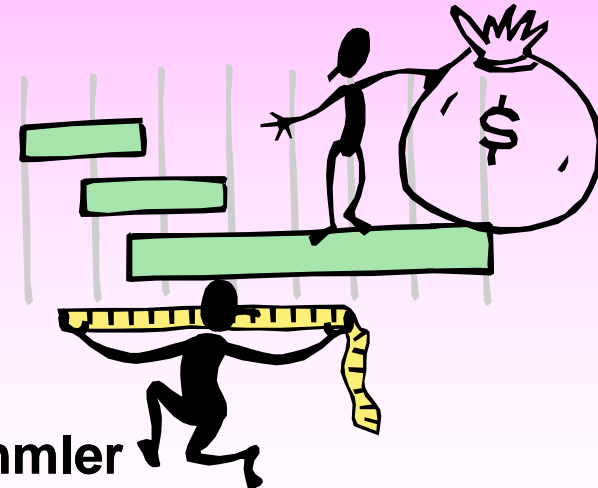


BaltActHaz

Kick-off Meeting

„Why the project budget is at it is?”

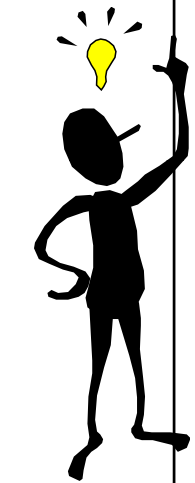


Heidrun Fammler
Baltic Environmental Forum Group
4 February, 2009



The general principle of financing the actions

- We have in total 1.715.632 EUR budget
- EU LIFE programme covers **50%** of it
- National Funds cover ca. 26%
- Partners cover ca. 24%
- We have “delivering” partners: BEF EE, LV, LT, Hendrikson, EERC, LIAE, LT EPA, (Vilnius Vandenys) and “receiving” partners: industrial enterprises, state and regional authorities
- “receiving” partners are direct beneficiaries of the actions and co-finance them with investing and reporting their personnel costs; “delivering” partners have a smaller co-financing share.

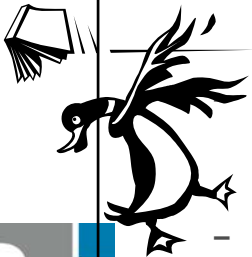


Own financing principle

- The budget is built up in a way that none of the “receiving” partners has to invest extra money into the project:
 - You receive services (water part of a new permit) and project results (e.g. lab analysis about substances), deliverables (guidelines for permitting), training (for inspectors or enterprises) financed by European Commission
 - You invest similar amount of working time which you also would invest if you apply/issue a new permit or elaborate guidelines for legislation implementation yourself;

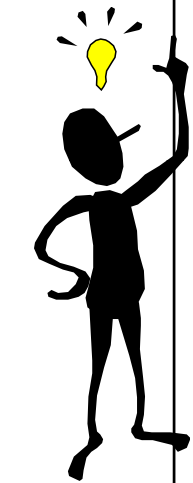
In exchange for the benefit you record your working time according to project reporting rules for personnel costs;

 - Attention: state institutions must bring in at least 2% more own financing than the sum of their labor cost.
 - The project covers all your travel expenses and some small fees above it, which you can use as you want.



How is the budget built up?

- An excel file programmed by BEF stands behind the LIFE+ format
- **Costs are sorted initially by work packages**
- For all actions described in the project costs are defined, all events, contracts, travel destinations, deliverables are counted and occur in the budget
- Costs were checked with partners and then for calculation purpose rounded or harmonised – however, they must be reported as actual costs
- Basis for calculation was BEF experience and actual costs for similar actions – country related estimates were made based on price differences



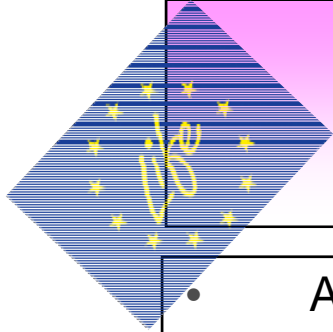


Personnel Costs

All partners submitted their gross salary figures for 2007, BEF multiplied with inflation/salary increases and estimated an average salary figure per involved person per partner;

- Attention: actual costs will have to be reported – changes in rates per project year are natural and accepted, the budgeted costs are estimates only!
- Personnel costs mean the total annual cost to employ the person, including taxes, social charges, bonuses etc.
- Personnel costs must be equal to working contracts or its amendments – if you pay bonuses amend the contract! No additional project contract on top of a full time employment!
- Project persons must be delegated (“seconded”) to the project according rules of the partner (e.g. “order”);
- For the actions BEF has set an approxi amount of man days per partner: same involvement in action = same amount of days;
- LIFE requests time sheets for all persons which attribute the labor to the project: work day = money = project budget.





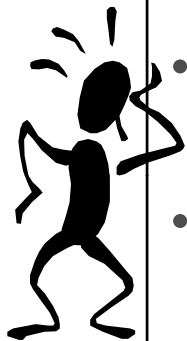
Travel costs



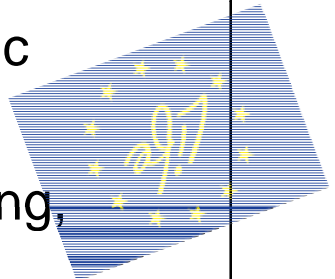
- All travel destinations have been counted and calculated, we aim at some meetings back to back with seminars to reduce efforts;
- Attention: partners shall cover their travel, accommodation and subsistence at a project meeting individually from their budgets, not as part of the seminar venue booking;
- Travel costs of external participants at events are placed under the seminar service contract;
- Meal provision is limited; per diem must be reduced accordingly if meals are provided;
- Travel costs must be reported based on actual costs and according to national/internal rules of partner – budget is based on estimates!
- Attention: please report travel costs with care: name event, dates and destinations correctly and remember: 20 partner will do the same and this is a big source for mistakes in the project reporting.



External assistance



- With external assistance the outsourcing of labor is meant, and some services, e.g. printing or seminar services;
- Some partners have external experts, some web design or laboratory work or the audit;
- Please check your national rules for tendering/ public procurements;
- Although if below your national threshold for tendering, please document your choice and be able to give a justification to the auditor how the supplier was chosen;
- Attention: take care that the invoice indicates project name + number as well as tax ID of the contracting partners;
- Attention for the lab contracts: you may not contract a project partner for lab analysis, also not from other country!



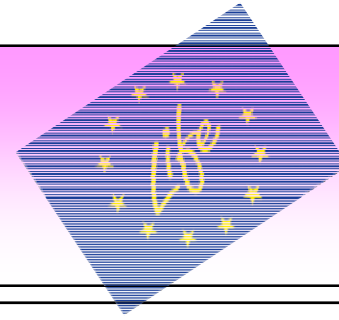


Consumables

- We have two kinds of consumables in our project:
- laboratory consumables at a few partners – e.g. sampling tools, reagents, etc
 - attention: document your selection criteria and keep national rules for purchasing!
 - EERC will have to justify due to large sum – please make a careful selection and tender it!
- Seminar consumables: same principle for selection, if below threshold, just buy it!



Overheads

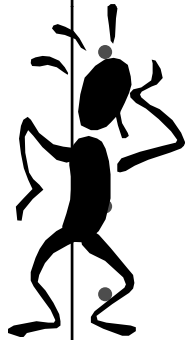


- Overheads are attributed to each partner as 7% of his total expenditures
- They are a calculation factor and not based on actual costs;
- They do not need to be reported and documented in LIFE+ reporting;
- They obviously must be occurring in your organizations' bookkeeping as costs – your rent, electricity, paper, computer and office equipment, general director and secretariat costs etc.
- EC is anticipating that you need 7% general administrative costs to make your office running the project.
- It is your business how your bookkeeping is organised.....



Financial reporting for LIFE+

- We receive from EC a reporting format which will have to be filled by each partner;
 - BEF EE (Maria) compiles a full report from it; She also checked your reporting and asks for revisions or corrections;
- The reporting form requests from you a little care – but it is not a difficult exercise.



All you need is: be precise and find your mistakes!

You report on total expenditures or your activities: your own financing and the external financing part;

You list all expenditures starting from the oldest and add the new one's row by row.

The BEF team will help you, we have experience with LIFE projects!

