

Budget and Finances

Are bank commissions for transactions eligible costs? Financial service costs, in particular the bank charges for the project account, the costs of transfers and financial guarantees, are eligible.

Is it possible, that calculation method of the Administrative costs and in kind will be different for each partner? Yes.

If in our project experts are planned, can we pay to them a travel costs? Per diems and travel for external experts must be included into their service contracts and budgeted in the Budget Heading 5 “Other costs and external services”.

Do we need to plan Contingency reserve obligatory? No, it is not obligatory, but you need to think about risks, which may arise in implementation of the project.

Should there be a separate Project account on the time of submission of Application Form? No. Project partners need a separate account for the Project financing or an adequate accounting code only after the signing of the Grant Contract.

What are the evaluation costs suggested in the Project budget (Heading 5) – are they compulsory? All the cost items mentioned in the Worksheet XIV are examples and are to be replaced with the real cost categories for the particular Project. Evaluation costs are not compulsory, verification of the achievement of Project indicators can be done using the internal evaluation methods as well as objective sources of information available free of charge.

Should concrete persons be named in the project budget? In the description of the Cost items in the Worksheet XIV of the Application Form, only positions of the staff are to be mentioned, not names.

Is it possible to foresee the compensation of travel costs, accommodation costs and daily allowance to employees of applicant/partner organisation who are not listed under Budget Heading 1 and for representatives of other organisations for participants of events? According to the Section 2.1.3.4 of the Guidelines for Grant Applicants, travel and accommodation costs for participants of seminar/conference organised by the project should be included under the Budget Heading 2 “Travel costs” provided that the most economic way of transport (in relation to the time and price) is used.

When to use “daily allowance” and when “per diems”? Guidelines for Grant Applicant, Section 2.1.3.4 stipulates that “per diems” (incl. accommodation, daily allowance, local transport), set by European Commission, are to be used by Russian Federation NGOs and SMEs. For Estonian and Latvian partners and Russian Federation public authorities “daily allowance” according to national legislation applies.

How should the unpaid voluntary work be counted? Minimum monthly or hourly official national net salary level is followed when calculating the value of unpaid voluntary work.

Is it possible to send participants to visit event outside of the Programme area for getting experience, and where to show the expenses? In accordance with the Guidelines for Grant Applicants in p.2.1.2.4, in duly justified cases the soft activities up to 10% of your total budget can be spent outside of the Programme area. These costs should be indicated in the special fields of the Application Form in the Worksheet XIV under the Budget Headings 2 and 5, as well as listed in the Section 1.8. of the Application Form.

Under which Budget Heading should the preparation of technical design be listed? Elaboration of the technical documentation has to be listed under the Budget Heading 6 “Infrastructure”, where according to the Guidelines, Section 2.1.3.4 “all costs of works and services related to construction, renovation, installation of infrastructure and their supervision” are to be listed.

What is in-kind? Where is the place in budget, where to describe the in-kind contribution? In-kind contribution can be the unpaid voluntary work (but not the staff of the Project partner) and use of the Beneficiary’s and/or the project partner’s own premises for implementation of the project activities (for example, hall for seminars/conferences etc.). Each project partner can report the value of in-kind contribution only up to 10% of its total eligible expenditure, but in any case it cannot exceed the Beneficiary’s and/or the project partner’s own contribution to the project. In-kind contribution is to be listed in the separate column of the Budget table in the Worksheet XIV of the Application Form, where use of own premises for the seminar/conference purpose should be reflected under Budget Heading 5 and the unpaid voluntary work – under the Budget Heading 1.

Can partners make profit out of the grant? The projects must be of a non-commercial character. Neither applicants nor project partners can make profit out of a grant. Article 17.1 of the General Conditions of the Grant Contract stipulates that The Beneficiary accepts that the grant can under no circumstances result in a profit for itself and that it must be limited to the amount required to balance income and expenditure for the Action. Profit shall be defined as a surplus of actual receipts over the actual costs of the Action in question when the request is made for payment of the balance.

Can we plan to organize a seminar outside the program area, providing the covering of travel costs for project staff and seminar participants' travel costs? Yes, you can. In accordance with the Guidelines, Article 2.1.2.4., if it is necessary for the project implementation and for the benefit of the Programme territory, in duly justified cases up to 10% of the project's total budget can be spent for implementation of the project soft activities outside the Programme area. These costs have to be clearly indicated, specified and justified in the Application Form and approved by the JMC. For travel costs for staff and participants in the seminar outside the programme territory – Budget Heading 2 “Travel costs”, for organizing seminar – Budget Heading 5 “Other costs and external services”

Do we need to plan the cost of participation in events, organized by the Programme JTS? Yes, you need to plan the costs of participation in the Programme events. During the project implementation period could be 2 -4 events, depending of the project duration.

If there will be purchased some equipment specially for the project but the duration of use is longer than the project, so, is then only part of the costs eligible? In accordance with the Grant agreement Art.14.2. purchase or rental costs for equipment and supplies (new or used) specifically for the purposes of the Project, and costs of services, provided they correspond to market rates are eligible.

What can be included in BH 4. Direct local office costs? Direct local office costs - directly allocated for premises rented especially for the project and justified by receipted invoices. Costs are invoiced directly to the project.

Eligible costs for this category:

- Offices rent (eligible only if an office is rented specifically for the Project);
- Offices supplies (consumables) that are directly related to implementation of the project;
- Internet and fax/phone calls and other running costs (electricity, heating, water, etc.) – separate bills for separate office;
- Vehicle costs – costs related to the use of a car for everyday implementation of project activities;
- Other services directly related to the implementation of the project.

What can be included in BH „Administrative costs“? Indirect administrative costs are related to office running for the purposes of the project. They are calculated on percentage or pro rata basis according to justified and clear method, which has to be presented before signing the contract with JMA. Indirect costs are eligible if they do not include costs assigned to another heading of the budget (for example, BH 4). If partners used their own premises for project implementation, they put those office rent, supplies, communication costs, vehicle costs and other costs in this BH. Accounting documents having an equivalent probative value.

Are the daily allowances/ per diems for one day trip to seminar eligible costs? Per diems are paid for the missions abroad and within the home country of the Beneficiary/respective project partner requiring an overnight stay. Payments of the daily allowances have to follow the national legislation of the respective country.

Are the social security charges eligible? Budget Heading 1 Human Resources includes the cost of the staff of the Beneficiary and the project partner assigned directly to the project, based on actual gross salaries and including compulsory taxes due in the respective country. Voluntary contributions are not eligible.

Is VAT eligible if the beneficiary or the project partner cannot reclaim it? The general rule is that VAT is eligible only in case, if the beneficiary and/or the project partner cannot recover it. In latter case it has to be proved with National Tax Authority's certificate.

VAT recoverable by whatever means cannot be considered eligible, even if it is not

actually recovered by the Beneficiary or the Project partner (i.e. the Beneficiary or the partner who could officially recover the VAT has decided not to do it).

What does it mean: in-kind contribution cannot exceed the Beneficiary's and/or the project partner's own contribution to the project? The general rule is that the project partner can report the value of in-kind contribution up to 10% of its total eligible expenditure. However, there is a possibility that the national authorities of the Participating countries contribute to the Project co-financing. In this case the in-kind contribution cannot exceed partner's own contribution to the Project.

What is the co-financing rate for the projects? The Community financing rate of ENPI funds for Priorities 1 - 3 is up to 90% of total eligible project expenditure. In case of private enterprises, the Community financing rate may be up to 50% of total eligible partner expenditure.