



COMMON PROVISIONS :



2. FINANCIAL ASPECTS

LIFE07 Kick-off Meeting, Date, Place

Name, Surname, Position



Programme implemented through individual financing decisions

- LIFE+ regulation
- Grant Agreement
- Common + Special Provisions
- Revised Proposal



The Coordinating Beneficiary

(art. 4)

- Responsible for the audit report
- Must contribute financially to the project's costs
- Receives the financial contribution from the Commission and, in case of partnership, distributes it among the associated beneficiaries
- Concludes agreements with the associates beneficiaries within 9 months, following «Guidelines» and including the «mandate»



The Associated Beneficiaries

(art. 5)

- Grants power of attorney to the coordinating beneficiary (mandate)
- Shall sign the Agreement foreseen in art 4.8 and are directly involved in the technical implementation of one or several tasks
- Contribute financially to the project's costs and benefit from the financial contribution from the Commission as foreseen in the agreement between the associated beneficiaries and the coordinating beneficiary (art 4.8)
- Provide the coordinating beneficiary with all supporting documents necessary for technical and financial reporting



All Beneficiaries

(art. 6)

- Shall maintain up to date Books of accounts with all supporting documentation for all expenditure and income during at least 5 years after the final payment
- The Commission, or any representative authorized by the Commission, may audit a coordinating beneficiary or associated beneficiary at any time during the project implementation period and up to five years after the final payment



The Co-financers

(art. 7)

- Contribute financially to the project but do not benefit from the Community contribution
- Are not directly involved in the technical implementation of the project
- All beneficiaries shall conclude with co-financers any agreement to ensure co-funding



The Sub-Contractors

(art. 8)

- Provide external services to the coordinating beneficiary / associated beneficiaries and receive the corresponding full price
- no financial investment in the project
- Public tendering for Public coordinating beneficiary / Associated beneficiaries
- Private coordinating beneficiaries/Associated beneficiaries: for purchase exceeding € 125 000: Competitive tenders and bid offering best value/money
- Issue detailed invoices with a clear reference to the LIFE+ project and to the purchase order / sub-contract



CONTRIBUTION PRINCIPLES

- The grant agreement sets the contribution. *(art. 24.1)*
- It may not exceed the amount necessary to balance project expenses and revenues.
- All revenues generated by the project must be declared. *(art. 24.4)*
- If an associated beneficiary reduces its contribution, the coordinating beneficiary must find additional resources. *(art. 4.5)*
The Life contribution will not be increased !
- Commission may proportionally reduce the Community contribution *(art. 18 and 24.5)*
- Eligible expenses are limited to the amounts foreseen by cost categories. (30 000 € and 10% overspending rule) (art 15.2)
- The coordinating beneficiary shall inform the Commission of the amount of any interest or equivalent benefits. *(art 24.7)*



METHODS OF PAYMENT OF THE CONTRIBUTION

In 2 or 3 instalments *(art. 28)*

1. 1st pre-financing = 40 % of contribution max. amount

This payment is increased to 50% for projects with an implementation period of less than 24 months or a Community contribution of less than € 300 000

2. Final payment = Balance Balance payment for projects with an implementation period of less than 24 months or a Community contribution of less than € 300 000



THE 1st PRE-FINANCING

- Grant agreement is signed by both parties (*art. 28.2*)
- Payment request states coordinating beneficiary and bank data details

To be sent to the Commission – DG ENV.E.4



THE BALANCE (FINAL PAYMENT)

(art. 28.4)

- Shall be made after the approval, by the Commission, of both the final technical report and the statement of expenditure and income provided for in Article 12.
- Final report must be submitted no later than 3 months after the end of the project
- To approve the final technical report and the final statement of expenditure and make the payment, the Commission shall have 105 days
- The Commission may suspend or reject the payment request within the 105-day period.



ELIGIBLE COSTS

Non exhaustive list, See art. 25 of Common Provisions

- Provided for in the budget of the project or have been authorized through an amendment to the grant agreement
- Directly linked to, and necessary for, carrying out the project
- Reasonable and comply with the principles of sound financial management
- Compliant with applicable tax and social legislation
- Have been incurred and recorded in the coordinating beneficiary/ associated beneficiary accounts during the lifetime of the project



INELIGIBLE COSTS

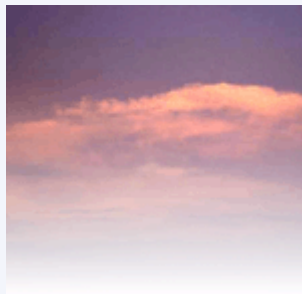
Non exhaustive list See art. 26 of Common Provisions

- Cost incurred for an action which benefits from aid under **other Community financial instruments**
- Costs incurred in relation to activities **not foreseen** in the project
- Costs incurred for the purchase of durable goods or communication material not bearing the **LIFE logo** (and the Natura 2000 logo, when applicable);
- Costs for which a coordinating beneficiary and / or associated beneficiary already receives an **operating grant from the Commission** during the period in question
- Costs related to any action that can be considered as a **compensatory measure**
- Costs relating to management plans, action plans and similar plans, drafted or modified in the context of a LIFE+ project, if the related plan is **not legally operational** before the project end date
- costs in any category of expenditure over and above that foreseen in the budget plus **10% and € 30 000** (as referred to in Article 15.2)



FINANCIAL REPORT : EXCEL FILE AVAILABLE ON THE LIFE WEBSITE

<http://ec.europa.eu/environment/life/toolkit/pmtools/reporting/financial/index.htm>



[Download now base.zip](#)





CONSOLIDATED STATEMENT OF EXPENDITURE
(Beneficiary and partners)

Project n°: **Project Acronm:**

Project title:

Full name of beneficiary:

Address

| | | |
|---------------|---|---|
| Status | Beneficiary <input type="checkbox"/> | Reference period: from (dd/mm/yy) to (dd/mm/yy) |
| | Beneficiary + Partner <input type="checkbox"/> | |
| | Partner <input type="checkbox"/> | |

| Categories of expenditure | Total without VAT | | Total with non recoverable VAT | |
|--|-------------------|----------------------|--------------------------------|----------------------|
| | Real Cost | Eligible Cost | Real Cost | Eligible Cost |
| 1. Personnel | - | - | - | - |
| 2. Travel | - | - | - | - |
| 3. External assistance | - | - | - | - |
| 4. Durable Goods | | | | |
| | <i>Real Cost</i> | <i>Eligible Cost</i> | <i>Real Cost</i> | <i>Eligible Cost</i> |
| Infrastructure | - | - | - | - |
| Equipment | - | - | - | - |
| Prototypes | - | - | - | - |
| <i>Sub-total</i> | - | - | - | - |
| 5. Landrights purchase/lease <i>(Only for LIFE-Nature Projects)</i> | - | - | - | - |
| 6. Consumable material | - | - | - | - |
| 7. Other Costs | - | - | - | - |
| 8. Overheads | - | - | - | - |
| TOTAL | <i>Real Cost</i> | <i>Eligible Cost</i> | <i>Real Cost</i> | <i>Eligible Cost</i> |
| | - | - | - | - |

DATE **SIGNATURE**



| PROJECT STATEMENT OF INCOME | |
|--|---|
| Project n°: <input type="text"/> | |
| Project Acronym: <input type="text"/> | |
| TO BE COMPLETED BY THE BENEFICIARY | |
| Reference period: from (dd/mm/yy) to (dd/mm/yy) <input type="text"/> | |
| TYPE OF INCOME | I |
| 1. LIFE CONTRIBUTION RECEIVED | - |
| 2. PARTICIPANT CONTRIBUTION ^(*) | - |
| I. | - |
| II. | - |
| III. | - |
| IV. | - |
| V. | - |
| VI. | - |
| VII. | - |
| 3. OTHER SOURCES OF FUNDING RECEIVED (please specify name of co-financing organization(s) and amount(s)) | - |
| I. | - |
| II. | - |
| III. | - |
| IV. | - |
| V. | - |
| VI. | - |
| VII. | - |
| VIII. | - |
| 4. INTEREST ACCRUED ON THE AMOUNTS RECEIVED FROM EC. | - |
| 5. PROFITS GENERATED BY THE PROJECT (PLEASE SPECIFY) | - |
| | - |
| | - |
| | - |
| | - |
| TOTAL | - |

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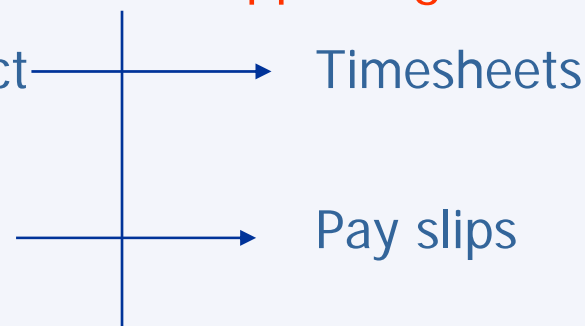
PERSONNEL COSTS *(art. 25.2)*

- Related to employees salaries (no external assistance)
- Service contracts : mandatory condition : work in the participant premises and under its supervision (timesheets)
- NB : civil servants salary costs: sum of public bodies' contributions must exceed by at least 2 % the sum of civil servants' costs

Principles

- Based on actual time devoted to the project
- Based on actual gross salary / wages + obligatory social charges

Supporting Documents



Civil servants' salary costs (2)

- *Example*
- Personnel
 - Civil servants
105 €
 - Others
20 €
- External Assistance
50 €
- Equipment
25 €

- Minimum own contribution from public beneficiaries
 - = 105 € + 2 % = 107,10 €
- Maximum Life contribution
 - = 92,90 €



Civil servants' salary costs (2)

- *Example*
- Personnel
 - Civil servants 105 €
 - Others 20 €
- External Assistance 50 €
- Equipment 25 €
- Total 200 €
- Minimum own contribution from public beneficiaries
 - = 105 € + 2 % = 107,10 €
- Maximum Life contribution
 - = 92,90 €



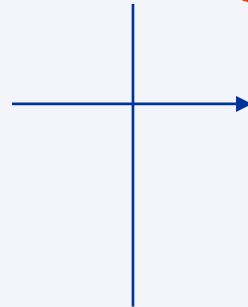
TRAVEL COSTS *(form 2, art. 25.3)*

Principles

Charged in accordance with internal rules of the coordinating beneficiary / associated beneficiaries

Supporting Documents

Flight tickets, hotel bills,....
Journeys by car : based on distance and internal rules



- Costs incurred by employees (not by external consultants)
- Not for journeys between home and work place



EXTERNAL ASSISTANCE

(art. 25.4 & application guide)

Principles

- Expenses > 35 % of total eligible costs, must be justified in the revised proposal
- Includes the cost of audit
- Includes short term lease of land (expires prior to project end date, for Life+ Nat and Life+ Bio only)
- Clear project reference on invoices
- Follow applicable rules on tendering

Supporting Documents

Detailed invoices issued by the sub-contractor, with clear reference to the LIFE+ project and to the purchase order or the contract



DURABLE GOODS

(Art. 25.5- 25.12 & Application guide)

- Only the depreciation is an eligible cost for the project and the EC co-financing will be calculated on the basis of this amount
- Depreciation of durable goods already owned by beneficiaries at the start of the project is not eligible for LIFE+ funding
- The coordinating beneficiary/associated beneficiary shall apply its internal accounting standard/rules to calculate the eligible depreciation charge
- Eligible depreciation charges will be limited to the following ceilings: (Art. 25.6)
 - Infrastructure costs: 25% of the total purchase cost;
 - Equipment costs: 50% of the total purchase cost



4. DURABLE GOODS

PROJECT ACRONYM:

PROJECT N°

% Eligible Cost

50,00%


4.2 Equipment ^(*)

| Year ^(**) | B/P ^(**) | Invoice/receipt | | Date of payment ^(**) (dd/mm/yy) | Supplier | Description | Total without VAT | | Total with non recoverable VAT ^(**) | |
|----------------------|---------------------|-----------------|-----------------|---|----------|-------------|-------------------|-------------------------------|--|-------------------------------|
| | | N° | Date (dd/mm/yy) | | | | Real Cost | Eligible Cost ^(**) | Real Cost | Eligible Cost ^(**) |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |
| | | | | | | | € - | | € - | |


| | | | | | | | | |
|--------------|---|---|---|---|---|---|---|---|
| TOTAL | € | - | € | - | € | - | € | - |
|--------------|---|---|---|---|---|---|---|---|

(*) It is advised to sort this table by date of payment.
 (**) Four digits year identification.
 (**) Identification of beneficiary and/or partners following their declaration in Declaration sheet.
 (**) To be completed only if the beneficiary/partners have provided proof that VAT is not recoverable and therefore should be regarded as an eligible cost.
 (**) Indicate the eligible cost of durable goods which were bought for the project and during the life time of the decision/grant agreement. Please refer to art. 21.5 and 21.6 of the Standard Administrative Provision to calculate the eligible amount. To be completed only if applicable (see art. 21.7)

Memo



Main menu
Add line



Delete line



OTHER BUDGET POSTS

Budget Posts

- **CONSUMABLE MATERIAL** (*art. 25.11*)
General office supplies are covered by Overheads
- **OTHER COSTS** (*art. 25.12*)
Costs necessary for the project, not falling within a defined category
- **OVERHEADS** (*art. 25.13*)
maximum 7 % of the total amount of eligible direct costs, excluding land purchase costs

Supporting Documents

Detailed invoices

Detailed invoices

invoices not needed



THE AUDIT PROCEDURE *(art 31 and 32)*

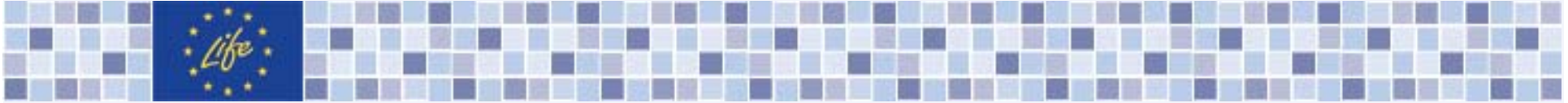
- An independent auditor, nominated by the coordinating beneficiary, shall verify the final statement of expenditure and income provided to the Commission when the maximum Community contribution set in the Special Provisions exceeds € 300 000.
- if an audit report is required, according to the Common Provisions, article 31.2 it must be presented in the format provided by the Commission.

<http://ec.europa.eu/environment/life/toolkit/pmtools/lifeplus/reporting.htm>



A FEW MORE HINTS ...

- Read and re-read Common Provisions !!
- Give the Common Provisions to all your associated beneficiaries and make sure they read them.
- Make sure your associated beneficiaries send you accounting documentation on a regular basis.
- Fill in financial forms on a regular basis.
- Follow the expenses, compare them against the budget.
- Use the financial forms available on the LIFE website.



Good luck again!



LIFE07 Kick-off Meeting, Date, Place

Name, Surname, Position