

Joint Operational Programme Romania - Ukraine 2014 - 2020

Financial Reporting

Seminar for Controllers



Seminar for controllers
17 November, 2020



Joint Operational Programme Romania - Ukraine 2014 - 2020

- Financial reporting - process & actions
- Use of templates (the Financial Report)
- Programme provisions



Reports with payment request - main sections

TECHNICAL SECTION	
1) Narrative Report	» project level
2) Supporting evidence (technical)	» per project
FINANCIAL SECTION	
1) Financial Reports	» per partner
2) Expenditure Verification Reports	» per partner
3) Consolidated Expenditure Verification Report*	» project level
4) Payment requests	» per project & per partner
5) Supporting evidence (financial)	» per partner

** Only the Lead Beneficiary's Controller*

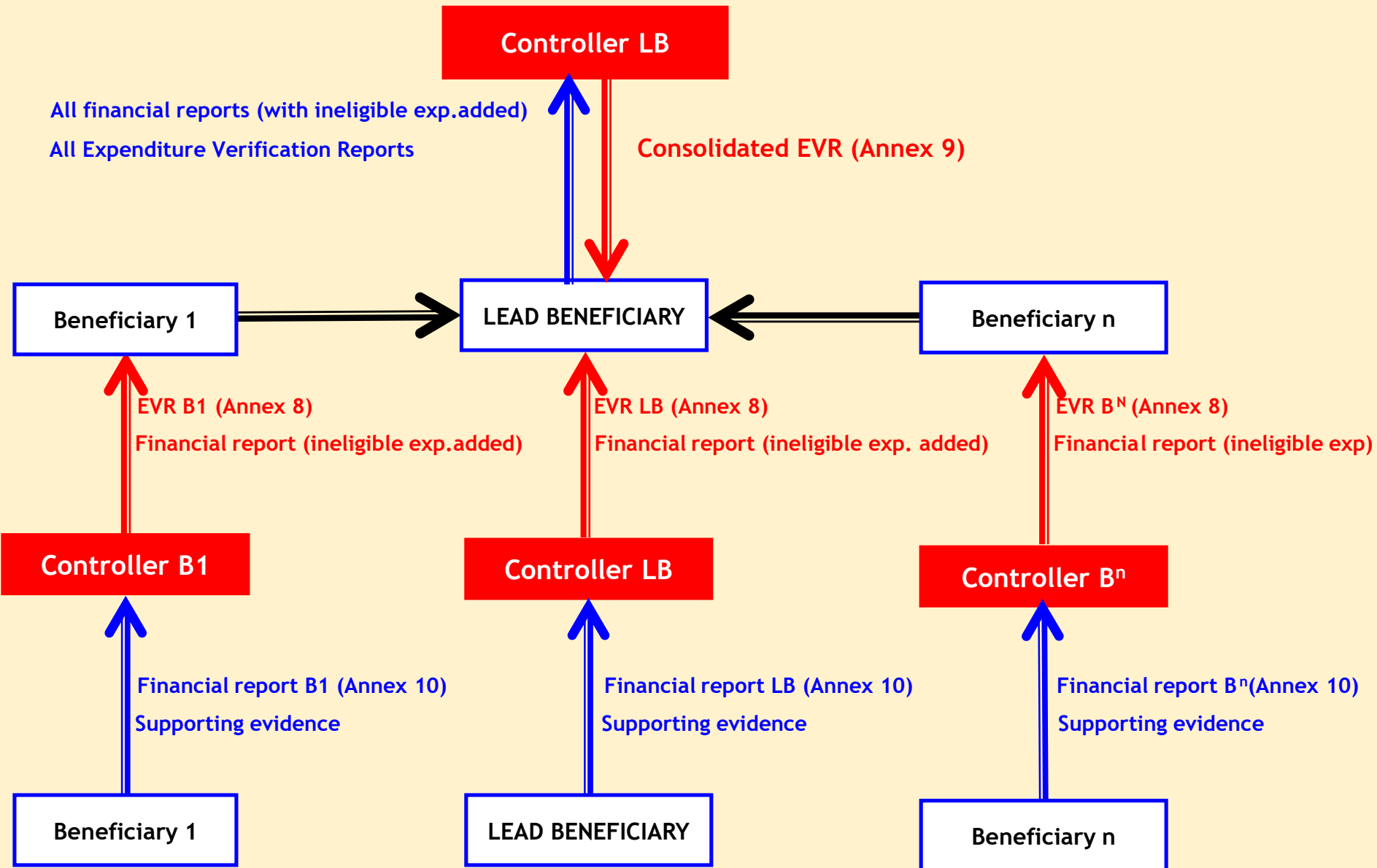


Expenditures verification - preliminary steps

- (each Beneficiary from Ukraine) Concludes a service **contract for expenditure verification** following a procurement procedure (*acc. Grant Contract art.9*).
- **Copy of the Grant Contract** and annexes, Partnership Agreement, any notification or addendum approved by the Managing Authority are sent by the Beneficiary to his Controller.
- **Deadline** to submit the payment request and the accompanying report to the programme, and the **reporting period** are decided at the level of the partnership.
- **Technical and financial project data, and the related supporting evidence** are collected and organized by each Beneficiary, as instructed.



Expenditures verification - process overview



Financial Report - the template

- Accompanies and justifies the payment request to the programme by showing the expenditures incurred and paid in respect of the activities and results reported to the programme
- Is a working document for the Beneficiary and its Controller

Excel file with protected inter-linked sheets and verification keys.

Instructions sheet sheet (1) ►► for the users, Beneficiary and the Controller

InforEuro sheet (2) ►► indicates the exchange rate used when reporting

Financial Report sheet (3) ►► includes all costs as detailed in the Grant Contract (per budget heading, line and sub-line)

Expenditures sheet (4) ►► shows costs reported, amounts found ineligible by the Controller, and calculates the final amounts (validated)



Instructions:

1. This file contains VBA codes (Excel Macro commands). Please save the file as type "Excel 97-2003 Workbook (*.xls)" or "Excel Macro-Enabled Workbook (*.xlm)". In other formats the file becomes irreversibly damaged. This Macro commands are essential for working with this file.

2. The first step in completing this file is the insertion of the budget lines and their name according to the approved budget of each partner in Sheet "Financial Report". It is preferable that all partners use a common budget structure, even if they do not have amounts provided in the budget for the respective budget lines. This is necessary for an easy preparation of the consolidated report at project level.

3. The insertion of the budget lines or of the expenses must be done only with the "Add" buttons next to each category of budgetary expenses.

Please do not use the "Insert row" or "Paste" functions available in Microsoft Excel; otherwise the Excel file may be irreversibly damaged.

4. The deletion of the rows must be done only with the "Delete" buttons next to each category of budgetary expenses.

Please do not use the "Delete row" function available in Microsoft Excel; otherwise the Excel file may be irreversibly damaged.

5. The cells to be filled in by the beneficiary are colored in white, magenta or green (see below).

6. For each expenditure entered in the "Invoices" sheet, a budget line must be chosen to which this expenditure corresponds. All magenta cells must be completed.

7. If the name of a budget line is changed in the "Financial Report" sheet, please repeat operation no. 4.

8. According to the programme regulations, for activities carried out outside the programme area, please select "Yes" in column "Activities outside PA".

9. The partner must update the inforeuro exchange rates in the "Inforeuro" sheet, according to the programme regulations.

10. Please do not use the "Paste" function available in Microsoft Excel; instead, use option: "Paste special" -> "Values".

11. The cells to be filled in by the controller are colored in light blue.

1

Add

Delete

0.00

Select line

Yes

Financial Report

Project code:	2SOFT/3.1/129
Project Acronym:	na
Project title:	Safer Roads
Name of the Project Partner:	Chernivtsi State Administration
Starting date of the project:	10/1/2019
Type of report:	interim / final
Reporting Period:	01/10/2019 - 01/10/2020

No.	Budget Line Name	Budget	Previously validated	Current report	Current validated	Accumulated	Remaining budget
1	Human resources	63,900.00	0.00	6,570.54	5,228.48	5,228.48	58,671.52
1.1	Project team	45,000.00	0.00	5,057.99	3,715.93	3,715.93	41,284.07
1.1.1	Project coordinator	32,400.00		2,677.22	2,665.92	2,665.92	29,734.08
1.1.2	Financial responsible	12,600.00		2,380.76	1,050.00	1,050.00	11,550.00
1.2	Specialists/ Technical staff	18,900.00	0.00	1,512.56	1,512.56	1,512.56	17,387.44
1.2.1	Technical responsible	18,900.00		1,512.56	1,512.56	1,512.56	17,387.44
2	Travels and subsistence	2,220.00	0.00	388.88	96.36	96.36	2,123.64
2.1	Travels and subsistence for project preparation (GA1) before submission of the Application Form (max 3,000 EUR at project level)	1,500.00		9.08	9.08	9.08	1,490.92
2.2	Travels and subsistence for the project staff during project implementation	720.00	0.00	379.80	87.28	87.28	632.72
2.2.1	Travel project staff (Chernivtsi to Suceava)	380.00		246.70	20.74	20.74	359.26
2.2.2	Daily allowance project staff	340.00		133.10	66.54	66.54	273.46
3	Infrastructure	2,304,136.00	0.00	1,000,489.31	992,379.71	992,379.71	1,311,756.29
3.1	Technical documentation (max 10% of 3.2 value at project level)	41,618.00	0.00	50,238.94	42,129.34	42,129.34	-511.34
3.1.1	Feasibility study	21,718.00		29,827.60	21,718.00	21,718.00	-0.00
3.1.2	Technical project	15,000.00		19,877.40	19,877.40	19,877.40	-4,877.40
3.1.3	Environmental impact assessment	400.00		0.00	0.00	0.00	400.00
3.1.4	Other type of technical documentation	4,500.00	0.00	533.93	533.93	533.93	3,966.07
3.1.4.1	Topographic measurements	4,500.00		533.93	533.93	533.93	3,966.07
3.2	Infrastructure execution	2,228,052.00	0.00	947,707.01	947,707.01	947,707.01	1,280,344.99
3.2.1	Infrastructure execution (road, bridge, drainage, etc.)	2,228,052.00		947,707.01	947,707.01	947,707.01	1,280,344.99

3

Add Delete

Add Delete

Add Delete

Add Delete

Add Delete

List of all expenditures incurred and paid in the current period

4

ym:	2SOFT/3.1/129														
project of the project:	na														
:	Safer Roads														
od:	Chernivtsi State Administration														
	43739														
	interim / final														
	01/10/2019 - 01/10/2020														
resources															
am															
Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy	Paid on dd/mm/yyyy	Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA	Add	Delete
Chernivtsi RSA	salary November, 2019	GA1	05 12 2019	07 12 2019	45,000.00	45,000.00	UAH	33.0566	1,361.30	11.30	1,350.00	1.1.1 Project coordinator			
Chernivtsi RSA	salary November, 2019	GA1	05 12 2019	07 12 2019	40,000.00	40,000.00	UAH	33.0566	1,210.04	685.04	525.00	1.1.2 Financial responsible			
Chernivtsi RSA	salary December, 2019	GA1	05 01 2020	07 01 2020	43,500.00	43,500.00	UAH	33.0566	1,315.92	0.00	1,315.92	1.1.1 Project coordinator			
Chernivtsi RSA	salary December, 2019	GA1	05 01 2020	07 01 2020	38,700.00	38,700.00	UAH	33.0566	1,170.72	645.72	525.00	1.1.2 Financial responsible			
team									5,057.99	1,342.06	3,715.93				
s/ Technical staff															
Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy	Paid on dd/mm/yyyy	Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA	Add	Delete
Chernivtsi RSA	salary August, 2020	GA4	05 09 2020	07 09 2020	50,000.00	50,000.00	UAH	33.0566	1,512.56	0.00	1,512.56	1.2.1 Technical responsible			
ists/ Technical staff															
									1,512.56	0.00	1,512.56				
resources									6,570.54	1,342.06	5,228.48				
nd subsistence															
nd subsistence for project preparation (GA1) before submission of the Application Form (max 3,000 EUR at project level)															
Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy	Paid on dd/mm/yyyy	Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA	Add	Delete
OMV LTD	fuel ticket, travel Chernivtsi - Suceava	GA0	15 12 2018	15 12 2018	300.00	300.00	UAH	33.0566	9.08	0.00	9.08	2.1 Travels and subsistence	for project preparation		
nd subsistence for project preparation (GA1) before submission of the Application Form (max 3,000 EUR at project level)									9.08	0.00	9.08				
nd subsistence for the project staff during project implementation															
Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy	Paid on dd/mm/yyyy	Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA	Add	Delete
OMV LTD	fuel ticket, travel Chernivtsi - Suceava	GA2 Launching conference	28 01 2020	28 01 2020	685.00	685.00	UAH	33.0566	20.72	0.00	20.72	2.2.1 Travel project staff	Chernivtsi to Suceava		

The template - *Financial Report* sheet (3)

No.	Budget Line Name	Budget	Previously validated	Current report	Current validated	Accumulated	Remaining budget
1	Human resources	63,900.00	0.00	6,570.54	5,228.48	5,228.48	58,671.52
1.1	Project team	45,000.00	0.00	5,057.99	3,715.93	3,715.93	41,284.07
1.1.1	Project coordinator	32,400.00		2,677.22	2,665.92	2,665.92	29,734.08
1.1.2	Financial responsible	12,600.00		2,380.76	1,050.00	1,050.00	11,550.00
1.2	Specialists/ Technical staff	18,900.00	0.00	1,512.56	1,512.56	1,512.56	17,387.44
1.2.1	Technical responsible	18,900.00		1,512.56	1,512.56	1,512.56	17,387.44
2	Travels and subsistence	2,220.00	0.00	388.88	96.36	96.36	2,123.64

Working notes

Column *Previously validated* is to be filled in and cross-checked at Final Report.
 Column *Current validated* results automaticalls as sheet (4) is filled in.

ROUA provisions

- (Heading 1) Expenditures relate only to persons appointed/hired in the project team.
- No civil contracts to justify HR expenditures are allowed. Such expenditure belongs to *heading 5. Services* and entails a procurement procedure.



The template - *Financial Report* sheet (3)

2	Travels and subsistence	2,220.00	0.00	388.88	96.36	96.36	2,123.64
2.1	Travels and subsistence for project preparation (GA1) before submission of the Application Form (max 3,000 EUR at project level)	1,500.00		9.08	9.08	9.08	1,490.92
2.2	Travels and subsistence for the project staff during project implementation	720.00	0.00	379.80	87.28	87.28	632.72
2.2.1	Travel project staff (Chernivtsi to Suceava)	380.00		246.70	20.74	20.74	359.26
2.2.2	Daily allowance project staff	340.00		133.10	66.54	66.54	273.46

ROUA provisions

- (Budget line 2.1) Costs are prior to Grant Contract signature and eligible only if incurred after **18 December, 2017** (date of launch of the calls).
- (Budget line 2.2) Costs can only relate to travels of the project team. Check if the reported travels were for the same persons for whom the salaries are paid.



The template - *Financial Report* sheet (3)

3	Infrastructure	2,304,136.00	0.00	1,000,489.31	992,379.71	992,379.71	1,311,756.29
3.1	Technical documentation (max 10% of 3.2 value at project level)	41,618.00	0.00	50,238.94	42,129.34	42,129.34	-511.34
3.1.1	Feasibility study	21,718.00		29,827.60	21,718.00	21,718.00	-0.00
3.1.2	Technical project	15,000.00		19,877.40	19,877.40	19,877.40	-4,877.40
3.1.3	Environmental impact assessment	400.00		0.00	0.00	0.00	400.00
3.1.4	Other type of technical documentation	4,500.00	0.00	533.93	533.93	533.93	3,966.07
3.1.4.1	Topographic measurements	4,500.00		533.93	533.93	533.93	3,966.07
3.2	Infrastructure execution	2,228,052.00	0.00	947,707.01	947,707.01	947,707.01	1,280,344.99
3.2.1	Works execution (road Shepit - Izvoarele Sucevei)	2,228,052.00		947,707.01	947,707.01	947,707.01	1,280,344.99
3.3	Site supervision	12,000.00		1,787.08	1,787.08	1,787.08	10,212.92
3.4	Taxes	22,466.00		756.28	756.28	756.28	21,709.72

ROUA provisions

- (Budget line 3.1) Not necessarily, but costs could be incurred prior to Grant Contract signature, but after **17 December, 2015** (date of programme approval by EC).



The template - *Financial Report* sheet (3)

4	Equipment and supplies	23,000.00	0.00	43,679.59	22,431.80	22,431.80	568.20
4.1	Vehicles	18,000.00	0.00	38,539.92	18,000.00	18,000.00	-0.00
4.1.1	Vehicle for project management	18,000.00		38,539.92	18,000.00	18,000.00	-0.00
4.2	Equipment and endowment	5,000.00	0.00	5,139.66	4,431.79	4,431.79	568.21
4.2.1	Office equipment and endowment	5,000.00	0.00	5,139.66	4,431.79	4,431.79	568.21
4.2.1.1	Office endowment	5,000.00		5,139.66	4,431.79	4,431.79	568.21
4.2.2	Specialized equipment and endowment	0.00	0.00	0.00	0.00	0.00	0.00
4.3	Supplies (only for the specialized equipment)	0.00	0.00	0.00	0.00	0.00	0.00

ROUA provisions

- **(Budget line 4.1)** Unit rate per vehicle cannot go over 18,000 EUR. The vehicle is only used for project management activities. Insurance costs, annual technical inspections, cost for tires etc. can be reported if mentioned in *Justification of costs* annexed to the Grant Contract.
- **(Budget line 4.2)** No maximum unit rate is set by the programme for the specialized vehicles to be used for other project activities.



The template - *Financial Report* sheet (3)

9	Administrative costs (maximum 7% of total direct eligible costs at project level excluding costs for the infrastructure)			0.00	0.00	0.00	0.00
10	Contingency reserve (maximum 10% of 3.2 value at project level)			0.00	0.00	0.00	0.00
11	Total eligible costs (8+9+10)	2,432,226.00	0.00	1,051,128.32	1,020,136.35	1,020,136.35	1,412,089.65
12	Total costs outside Programme Area			0.00	0.00	0.00	0.00

OK

The partner budget has been exceeded

ROUA provisions

- Although they need to be reported, administrative costs will only be checked at the Final Report and at project level. No need to be accompanied by supporting evidence.
- Contingency reserve must not be reported, it can be used only by means of an addendum to the Grant contract approved by MA.



Necessary checks - *Financial Report* sheet (3)

#1 Project data in the **Financial Report** sheet are correct, the reporting period is indicated.

#2 The **Financial Report** includes all headings, lines, sub-lines as in the Grant Contract/any amendment to it approved by the Managing Authority, in particular Annex I part D (Individual Budget (or the Beneficiary concerned)).

#3 No alert is displayed by the **Financial Report**.

**The report is not correct. Please fill all magenta cells in Invoices Sheet!
The partner budget overruns could not be verified**

!!! If such situations exist, they need to be rectified.



The template - *Expenditures* sheet (4)

No.	Invoice No./ Equivalent Documents	Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy			Paid on dd/mm/yyyy			Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA
1	10	Chernivtsi RSA	salary November, 2019	GA1	05	12	2019	07	12	2019	45,000.00	45,000.00	UAH	33.0566	1,361.30	11.30	1,350.00	1.1.1 Project coordinator	
2	11	Chernivtsi RSA	salary November, 2019	GA1	05	12	2019	07	12	2019	40,000.00	40,000.00	UAH	33.0566	1,210.04	685.04	525.00	1.1.2 Financial responsible	
3	12	Chernivtsi RSA	salary December, 2019	GA1	05	01	2020	07	01	2020	43,500.00	43,500.00	UAH	33.0566	1,315.92	0.00	1,315.92	1.1.1 Project coordinator	

Working notes

Since only invoices or equivalent documents are to be listed, other type of evidence supporting an expenditure needs to be archived and provided to the Controller (see **art. 11.9 of the Grant Contract**).

Date in column ***Paid on dd/mm/yy*** must be within the reporting period (less the preparatory activities).

Although not specifically mentioned in the Financial report/Expenditures sheets, the **unit rate** (in EUR) and the **number of units** shall be checked against the Beneficiary's budget (see Grant Contract/any amendment to it approved by MA).

!!!! The most frequent source of verification errors during 2007-2013 !!!!



The template - *Expenditures* sheet (4)

No.	Invoice No./ Equivalent Documents	Name of the service provider issuing the invoice	Description of the expenditure	Activity fulfilled according to the approved AF	Issued on dd/mm/yyyy			Paid on dd/mm/yyyy			Total amount in original currency	Reported expenditure in original currency	Currency	Exchange rate	Reported expenditure EUR	Ineligible expenditure deducted by the Controller EUR	Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA
1	10	Chernivtsi RSA	salary November, 2019	GA1	05	12	2019	07	12	2019	45,000.00	45,000.00	UAH	33.0566	1,361.00	11.30	1,350.00	1.1.1 Project coordinator	
2	11	Chernivtsi RSA	salary November, 2019	GA1	05	12	2019	07	12	2019	40,000.00	40,000.00	UAH	33.0566	1,210.04	685.04	525.00	1.1.2 Financial responsible	
3	12	Chernivtsi RSA	salary December, 2019	GA1	05	01	2020	07	01	2020	43,500.00	43,500.00	UAH	33.0566	1,315.92	0.00	1,315.92	1.1.1 Project coordinator	

Working notes

Column ***Ineligible expenditure deducted by the controller (EUR)*** must be filled in by hand during verifications.

Column ***Eligible expenditure validated by the controller*** is automatically calculated, and fills in also column ***Current validated*** from the Financial report sheet.

No.	Budget Line Name	Budget	Previously validated	Current report	Current validated
1	Human resources	63,900.00	0.00	6,570.54	5,228.48
1.1	Project team	45,000.00	0.00	5,057.99	3,715.93
1.1.1	Project coordinator	32,400.00		2,677.22	2,665.92
1.1.2	Financial responsible	12,600.00		2,380.76	1,050.00
1.2	Specialists/ Technical staff	18,900.00	0.00	1,512.56	1,512.56
1.2.1	Technical responsible	18,900.00		1,512.56	1,512.56
2	Travels and subsistence	2,220.00	0.00	388.88	96.36
2.1	Travels and subsistence for project preparation (GA1) before submission of the Application Form (max 3,000 EUR at project level)	1,500.00		9.08	9.08
2.2	Travels and subsistence for the project staff during project implementation	720.00	0.00	379.80	87.28

Necessary checks - *Expenditures* sheet (4)

#1 The exchange rate is that of the month during which the expenditure was submitted for verification to the Controller and matches the one from **InforEuro sheet (2)**.

https://ec.europa.eu/info/funding-tenders/how-eu-funding-works/information-contractors-and-beneficiaries/exchange-rate-inforeuro_en

#2 There is no magenta cell displayed.

#3 All cells in the *Expenditures* sheet are filled in.

Eligible expenditure validated by the Controller EUR	Budget line	Activities outside PA
2,123.63	4 2 1.1 Office endowment	
2,308.16	Select line	
4,431.79		



Supporting evidence

Ascertains that the activities were performed and results achieved as reported and, that the related expenditure was incurred and paid.

!! Any type of evidence must be easy traceable and verifiable.

!! It should also be complete, correct, reliable and in an accurate order.

■ Technical evidence

Must be organized per activity and group of activities, in chronological order.

■ Financial evidence

Must be organized per heading, line, and sub-line acc. to the individual budget of the Beneficiary.

!! Annex 2 *List of indicative supporting documents* and Annex 4 *Control checklist* to MA Instruction no.3 provide extensive information on the evidence necessary for each budget heading.



Formal requirements to expenditure verification documents

Beneficiary's documents

- **Financial Report** signed by the Beneficiary (hard copy & electronic version)
- Financial Report in Excel format = as it is a working document
- **Supporting evidence** (technical and financial, hard copy & electronic version)

Controller's documents

- **Financial Report** filled in, signed & stamped (hard copy & electronic version)
- **Expenditure Verification Report** signed & stamped (hard copy & electronic version)
- (for Lead Beneficiary's Controller only) **Consolidated Expenditure Verification Report** signed & stamped (hard copy & electronic version)



Thank you for attention!

Please check regularly for updates on the Programme website at

<http://ro-ua.net/en/>

Joint Technical Secretariat

**Regional Office for Cross-border Cooperation for Romania -
Ukraine border**

8A, Bistritei street, 720274 Suceava, Romania

<http://brctsuceava.ro/en/>
info.ro-ua@brctsuceava.ro



Seminar for controllers
17 November, 2020



Romania-Ukraine
ENI-CROSS BORDER COOPERATION