

ANNEX II. BUDGETING GUIDELINES (PRAG 2015)

Annex B of the Full Application Form

Budget Template 15 July 2015

Explanation from the FDR

SHEET 1: BUDGET

How to fill in the template:

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| <ol style="list-style-type: none"> The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and the unit value must be specified for each item depending on the indications provided. The budget has to include costs related to the Action as a whole, regardless the part financed by the Contracting Authority. Section Year 1 (column F to I of the Budget) must be completed if the Action is to be implemented over more than one reporting period (usually 12 months). If the Contracting Authority is not the European Commission, the budget may be established in euro or in the currency of the country of the Contracting Authority. Costs and unit values are rounded to the nearest euro cent. If staff are not working full time on the Action, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit value). | <ul style="list-style-type: none"> Personalize the budget by introducing as many sub-headings as necessary. All the costs must comply with eligibility criteria (see Art.14 of the General Conditions) Budgets can be elaborated according to each organisation's internal exchange rate. All the amounts and figures have to be rounded to the nearest euro cent (0.00). E.g. Enter percentage with 2 decimals (74,38%). Be careful with the formulas in the excel sheet and make sure that there are no formula mistakes. In case of projects including co-applicant(s), it is recommended to split the sub-headings per applicant, so that each applicant, lead and co-applicants, has specific sub-heading. You should ensure consistency between organisations for the same type of costs. Variances should be explained in the justification sheet. <ol style="list-style-type: none"> The units and number of units must be clear and 'reportable' e.g.: Publications can be per unit (1000 copies of a report at 1 euros per unit) or per batch (5 reports at 2000 euros per report). The financial report will have to use the same units as the budget.
Lump sums are not accepted except for per diems or in case of simplified cost option. The total costs on Year 1 will be used to calculate the amount of the first instalment (Art 15.1 of the General Conditions) Each line under "Salaries" represents a position. Specify in the description the # of staff members and the percentage of work on the project.
For salaries, the unit is always 'month'.
The number of months is calculated by multiplying the number of staff members by the percentage of work on the project e.g. If for the same position, you budget 2 staff members, each of them dedicating 50% of their time to the project, the number of months will be $2 \times 0.5 = 1$.
The unit value is always the salary of a full month. |
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<p>5. Per Diem: Indicate the country where the per diems are incurred.</p> <p>6. Per diems are not considered a simplified cost option for the purposes of Union financing when the Grant Beneficiary reimburses a fixed amount to its staff according to its staff rules and asks for the reimbursement of that same amount in the action budget. That is an actual cost.</p> <p>7. Otherwise, if the Beneficiary proposes a reimbursement on the basis of simplified cost option (for instance a "unit cost"), it must specify "UNIT COST per diem" in the "unit value" column and the applicable rates (in any case the final eligible cost may not exceed the rates published by the E.C. at the time of such mission)."</p> <p>8. Costs for CO2 offsetting of air travel may be included. CO2 offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure and the destination. If information is not available, enter a global amount.</p> <p>9. Contingencies: Specify the typology of costs or services. Global amounts will not be accepted.</p> <p>10. Heading 5: Only indicate costs when fully subcontracted.</p> <p>11. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation.</p> <p>12. Taxes: Only to be filled in when provided for in the Call for Proposals (i.e. taxes are not eligible and the beneficiary(ies) can show they cannot reclaim them). Please see glossary of terms (Annex A 1) of the Practical Guide to contract procedures for EU external actions for the definition of taxes. Please note that direct taxes are not included (such as taxes on salary of staff working for the action which are part of the gross salary). Note: Where the Call for Proposals does not exclude the eligibility of taxes and the grant beneficiary can show it cannot reclaim them, taxes will be eligible and should be included under each relevant heading. Taxes that can be reclaimed are not considered as eligible nor accepted costs.</p> <p>13. In-kind contribution: Only to be filled in when contributions in kind as may be accepted as co-financing. The amount indicated must be identical to the one indicated in worksheet 3 "expected sources of funding"</p> <p>14. Use "UNIT COST per flight/month/kit etc..." or "LUMPSUM" or "FLAT RATE" in case of simplified cost options. Use different lines for each type of simplified cost options and per beneficiary. In worksheet 2, the methods used to determine and calculate them must be clearly described and substantiated and the Beneficiary proposing and using them must be univocally identified (for more guidance see Annex K - Guidelines-Checklist for simplified cost options).</p>	<p>5. Per Diem unit cost cannot exceed the EC thresholds published on DEVCO website https://ec.europa.eu/europeaid/applicable-rates-diems-framework-ec-funded-external-aid-contracts-18032015_en</p> <p>7. For simplified cost option, see annex K.</p> <p>9. Contingencies: Remember that the provision for contingency reserve (Heading 10 of the budget template) may only be used with the prior written authorisation of the Contracting Authority (Art 14.6 of the General Conditions). In case you want to use the contingency reserve, a revised budget detailing how the contingency reserve will be used must be submitted to the Contracting Authority. Once approved, a contract addendum has to be issued. Please, note that if the contingency reserve is not used during the implementation period, the amount budgeted is lost.</p> <p>12. Direct taxes are eligible and should be included in relevant headings. E.g. Income tax for the staff working on the project is part of the gross salary. Indirect taxes such as VAT are eligible when two conditions are fulfilled: the Call for proposals does not exclude their eligibility and the grant beneficiary can prove that it cannot be exempted and reimbursed. In this case taxes should be included in relevant headings. Indirect taxes have to be indicated separately under Heading 12 and considered as "accepted" costs when the Call for proposals allows it (i.e. does not allow eligibility of these taxes). See annex J to the call for proposals. Accepted costs may be considered as co-financing contribution.</p> <p>13. A figure for in kind contributions can only be included if they are allowed as co-financing under a specific call, and this happens very rarely. The costs related to the use of the in-kind contributions are eligible, e.g. Spare parts or fuel used for car brought as in kind contribution.</p>

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	<p>NB :</p> <ul style="list-style-type: none"> - The audit costs i.e. Expenditure verification report (EVR) can be charged to the budget. The number of EVR to be charged has to be compliant with DEVCO requirements (see article 15.7 of the General Conditions)
SHEET 2: JUSTIFICATION	
<p>1. Clarification of the budget items: Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the action (e.g. through references to the activities and/or results in the Description of the Action).</p> <p>2. Justification of the estimated costs: Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs or on simplified cost options if allowed, as described in section 2.1.5 of the Guidelines for Grants Applicants</p>	<p>How to fill in the template:</p> <ul style="list-style-type: none"> • Personalize the budget by introducing the same sub-headings as in the budget. <p>1. For each cost, you have to demonstrate that it is necessary for the action e.g. <i>The programme Manager Shelter will have the overall responsibility over the shelter activities of the action, including the management of the programme coordinator. His role will include follow up and reporting on the budget of shelter activities.</i></p> <p>2. For each cost, you have to explain the methodology used to determine the calculation. For salaries for instance, the internal salary scale to be applied according to the position. <i>E.g. Salary of Education Coordinator (C3) Salaries are estimated in accordance with NGO salary scale. C3 is the salary level for Education Coordinator C3/1 is step 1 in the salary scale. The steps automatically increase on a yearly basis.</i></p>
SHEET 3: SOURCES OF FUNDING	
<p>1. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form (part 6 of the full application form)</p> <p>2. Total eligible costs should be as per heading 11 of the Budget of the Action</p> <p>3. Total accepted costs should be as per heading 13 of the Budget of the Action</p>	<p>How to fill in the template:</p> <p>This spreadsheet requires us to set out the financial contributions to the project from sources other than the EU. These sources are:</p> <ul style="list-style-type: none"> • The applicant's own contribution • Contributions from EU Member States, other national/ regional governments, other organisations etc. Note that funds from the EU budget such as ECH O or EDF may not be used as co-financing. • Direct revenue of the action such as income from sales of publications or profit from hiring out tractors purchased under the project (Article 17.3 of Annex II). <p>The percentage you indicate in the budget may vary from year to year provided it is correct over the lifetime of the project. Changes in funding sources are allowed e.g. replacement of unrestricted funds with restricted from a new donor. Such changes do not require a contract amendment but they should be notified to the Contracting Authority when they are made and at the latest with the final report.</p>