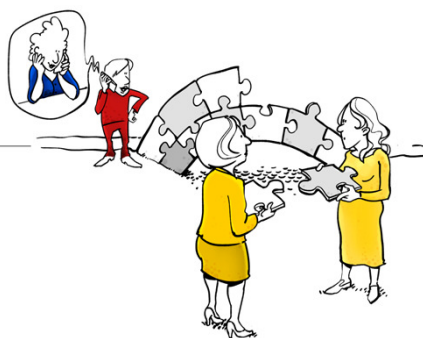


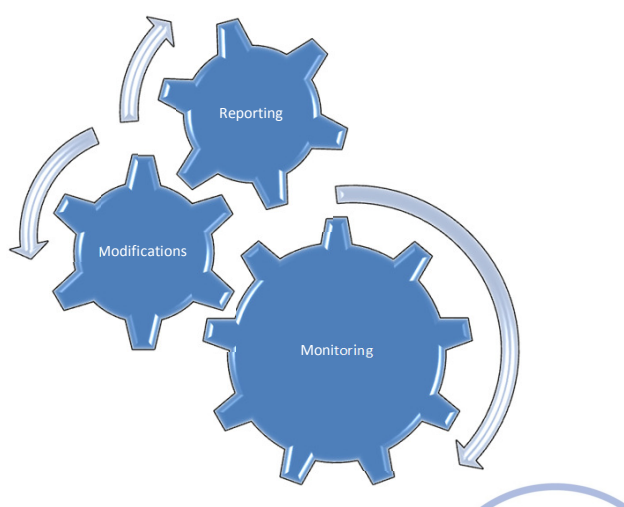
Project Implementation - Financial Management

Interreg Financial Management Camp
28 February - 3 March 2017 | Athens, Greece
 @InteractEU

Malgorzata Zdunek, Interact Programme



Financial management during project implementation



Monitoring

- To assure that project expenditure incurred:
 - Is in line with budget
 - Complies with the rules of eligibility
- On-going process
- Allows problem identification
- Verifies and provides transparency on the spending of public funds
- Knowledge of current situation always simplifies decisions making, especially if corrective actions are need



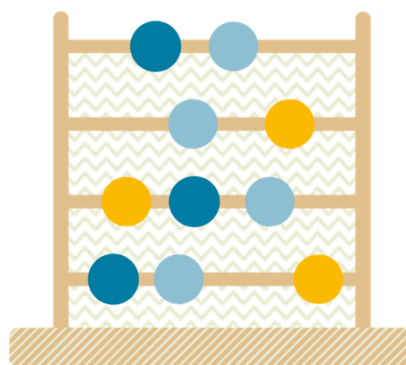
Reporting

All programmes require

- Financial content of reports:
 - List of eligible expenditures
 - Expenditures attributed to BL and WP
 - Certificate
 - Claim of total ERDF in EUR
- E-cohesion

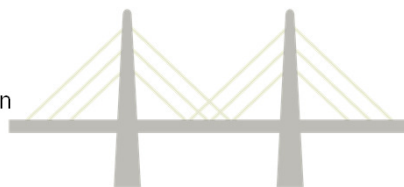
Differs programme by programme

- Frequency
- Deadlines
- Content
- Attachments



Reporting – Lead Partner responsibilities

- Deliverables comply with content and quality requirements
- Cost as budgeted
- Determine the information needs in the partnership
- Make sure that all information available on programme reporting procedures and reporting templates is passed on to the partner level
- Provide clarification related to the information/requirements
- Making sure that the partners provide the right information in order to produce the project report
- Making sure that any feedback from the reports reaches the partners

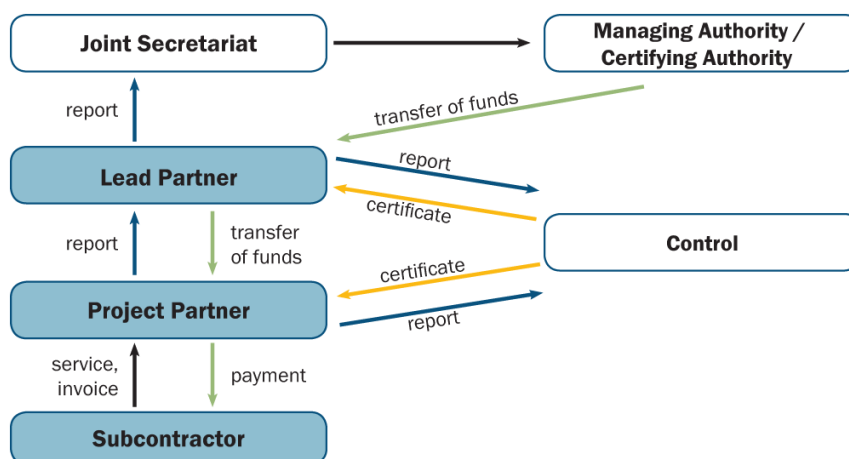


Reporting – Partners responsibilities

- Review progress of tasks on partner level
- Report to the LP/ inform about the progress
- Inform of the potential risks and problems associated with risks
- Inform about information needs and discuss them with the LP and the rest of the partnership
- Regularly exchange status information
- Present / discuss plans for next actions



Reporting process and cash flows



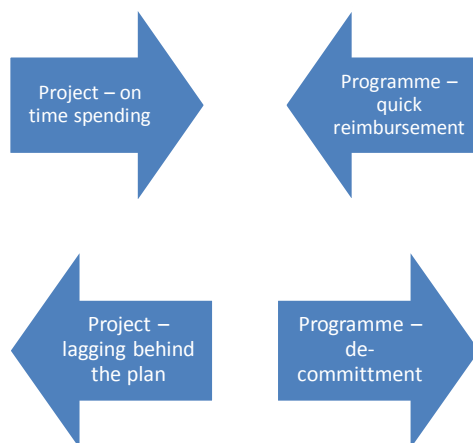
Reporting – what can get wrong?

- Queuing for verification
- Discrepancies in interpretations
- E-cohesion
- Irregularities (procurement)
- Lack of funds at programme account



Balancing the relation programme – project

“The joint secretariat shall ... assist beneficiaries in the implementation of operations.”
(ETC Regulation, Article 23.2)

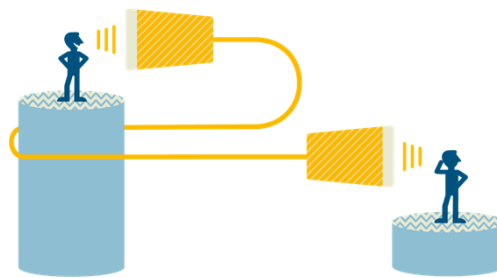


Project financial implementation warning signs

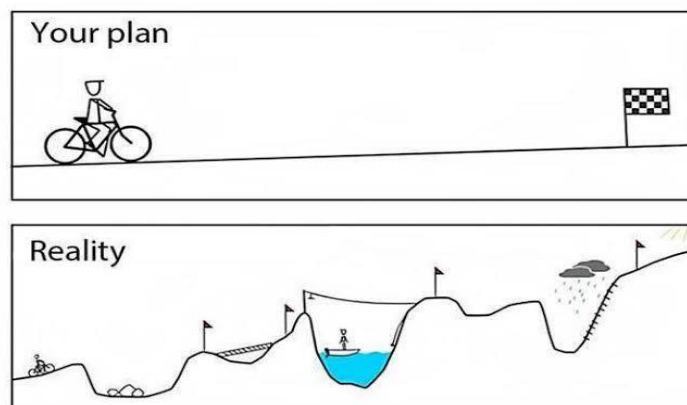
- No proper monitoring
(where is the invoice for these constructions works?)
- No clear leadership
(should we buy it now or next year?)
- Inexperienced project management
(I am not into finance – consult your accountant)
- Little communication at every level
(I did not know it is important)
- Competing priorities
(I am told to help my boss with other duties)



Project modifications




**Nothing goes as planned, but that is fine
provided someone controls the situation**




Project modifications

Minor modifications	Major modifications
Administrative modifications (change of contact information, bank account)	Modifications to the partnership (partner drop-out, new partner)
Budget modifications below the flexibility rule	Budget modifications above the flexibility rule
Minor modifications of the project content (activity modifications, time-schedule related modifications)	Significant modifications of the project content (extension of project duration, objective modifications)



Project modifications and programme reactions

Modification	Programme reaction
Activity	Accepted, budget implications considered
Roles	Join implementation is not threatened
Partnership	Serious change
Outputs and results	Questioned
Time plan	Accepted, de-commitment considered
Budget	Flexibility of 10 – 20 %



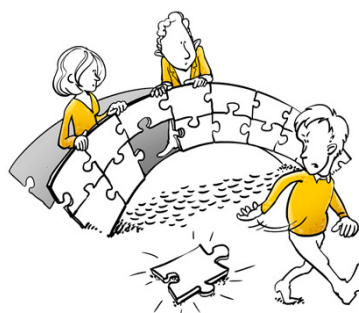
Modifications

Budget modifications:

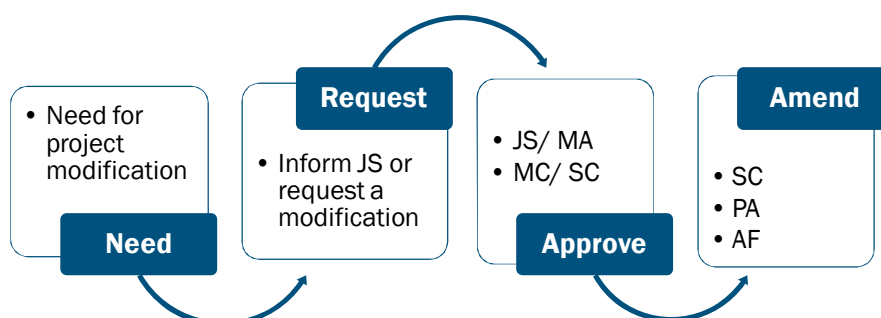
- Budget line – Budget line
- Work package – Work package
- Partner – Partner
- Mixture of all above

Programme approval:


- Joint Secretariat
- Managing Authority
- Monitoring Committee




Project modification procedure



Questions asked by programme before modification considered

- Is it really necessary to implement this modification?
 - What should be done in order to avoid this modification?
 - The nature of modification (activity, partnership)?
 - Who does it affect (1 partner, whole partnership)?
 - Does it affect project budget?
 - Does it affect project timeline?
 - Is it dangerous for delivery of some outputs or results?
- 

How often modifications are allowed?

- Major modifications are only possible once during project lifetime
 - Minor modifications may occur maximum twice per year
 - One budget reallocation below the flexibility limit per year
 - One budget reallocation above the flexibility limit during project lifetime
 - Partnership modifications - questioned
- 

How to avoid modifications ?

- Define the responsibilities and procedures for day-to-day management and coordination
- Involve partner finance managers from the start
- Make sure reporting procedure is clear
- Have in place risk and quality management
- Make sure communication within partnership is smooth, open and honest
- Proper budget planning!



Unavoidable

Erupting volcano, fire in the office, flooded investment



Exercise: Project Modifications (35 mins)

You are a lead partner.

Analyse the current stage of project implementation.
Identify what needs to be done at the current stage of the implementation:

- Propose necessary modification(s),
- List steps to be taken,
- List bodies to be involved, and their roles and responsibilities.





Cooperation works

All materials will be available on:

www.interact-eu.net

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