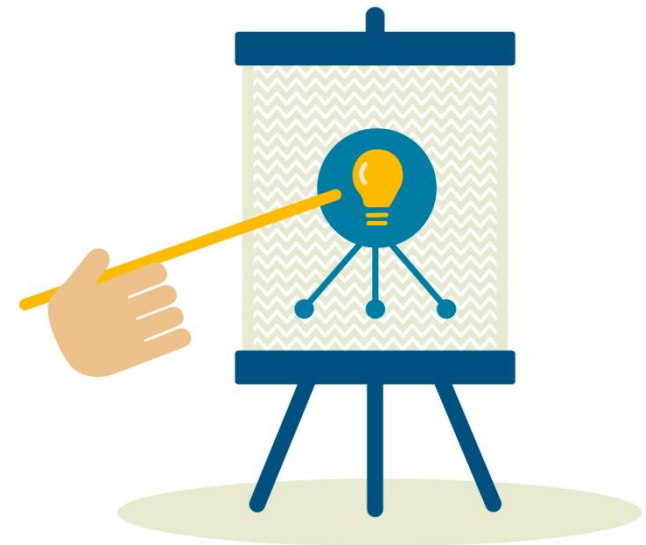


Project Implementation - Financial Management

Project Management training

22-23 November 2017 | Nicosia, Cyprus

Tsveta Aleksandrova, Interact



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

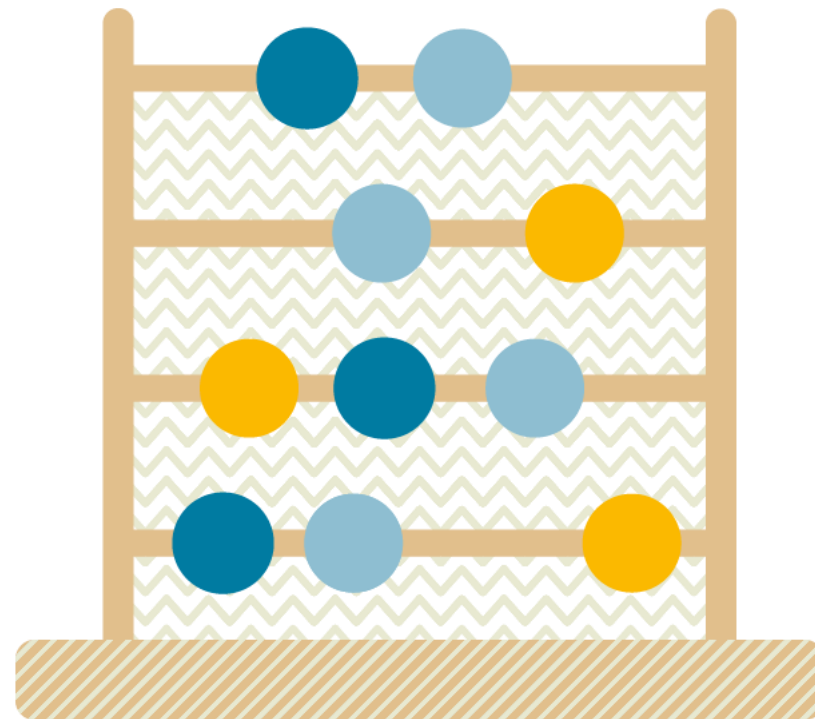
Reporting

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

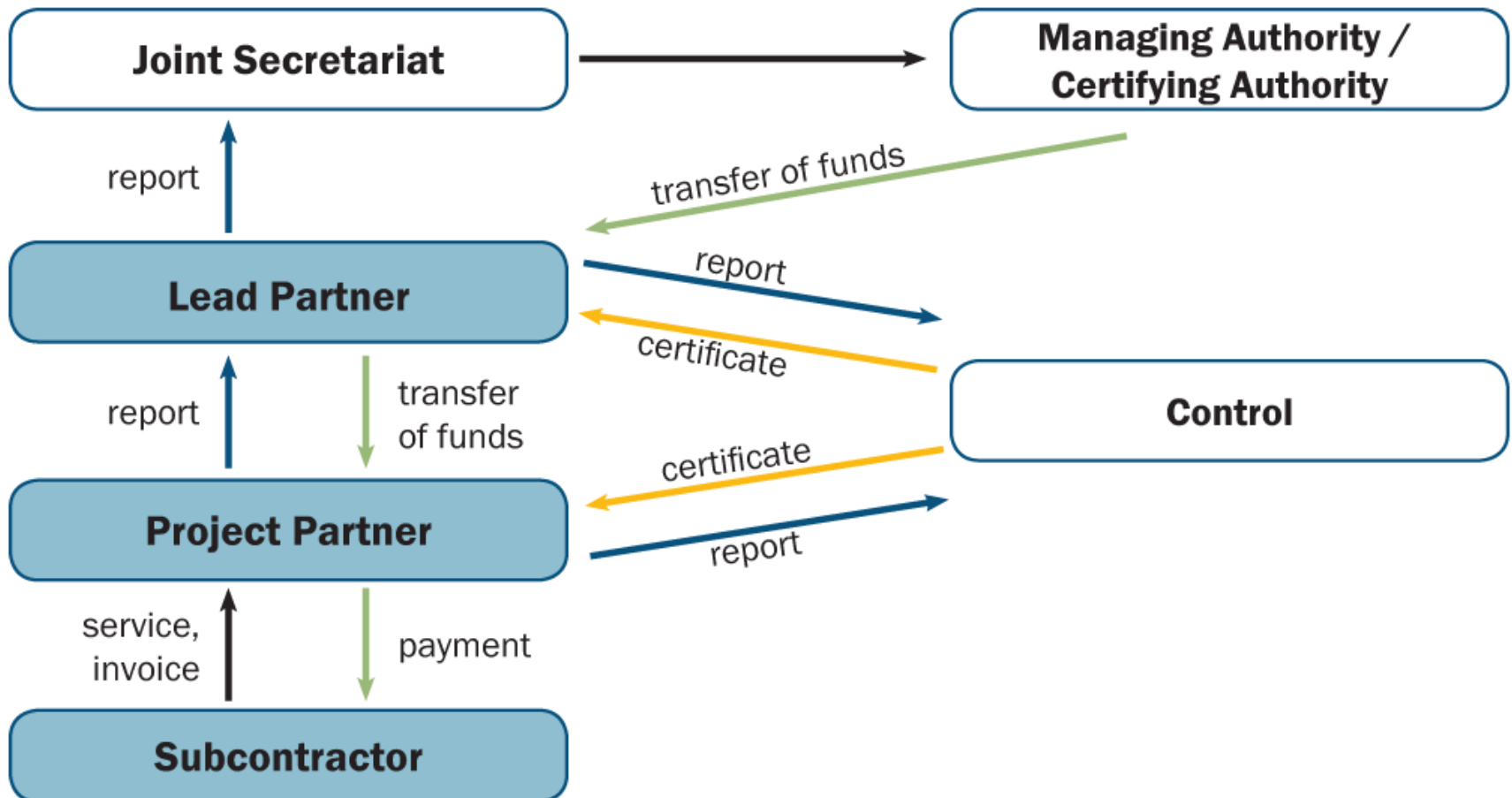
- Deliverables comply with content and quality requirements
- Cost as budgeted
- Determine the information needs in the partnership
- Make sure that all information available on programme reporting procedures and reporting templates is passed on to the partner level
- Provide clarification related to 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

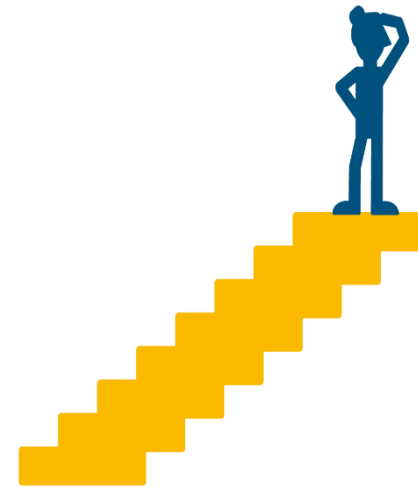


Reporting process and cash flows



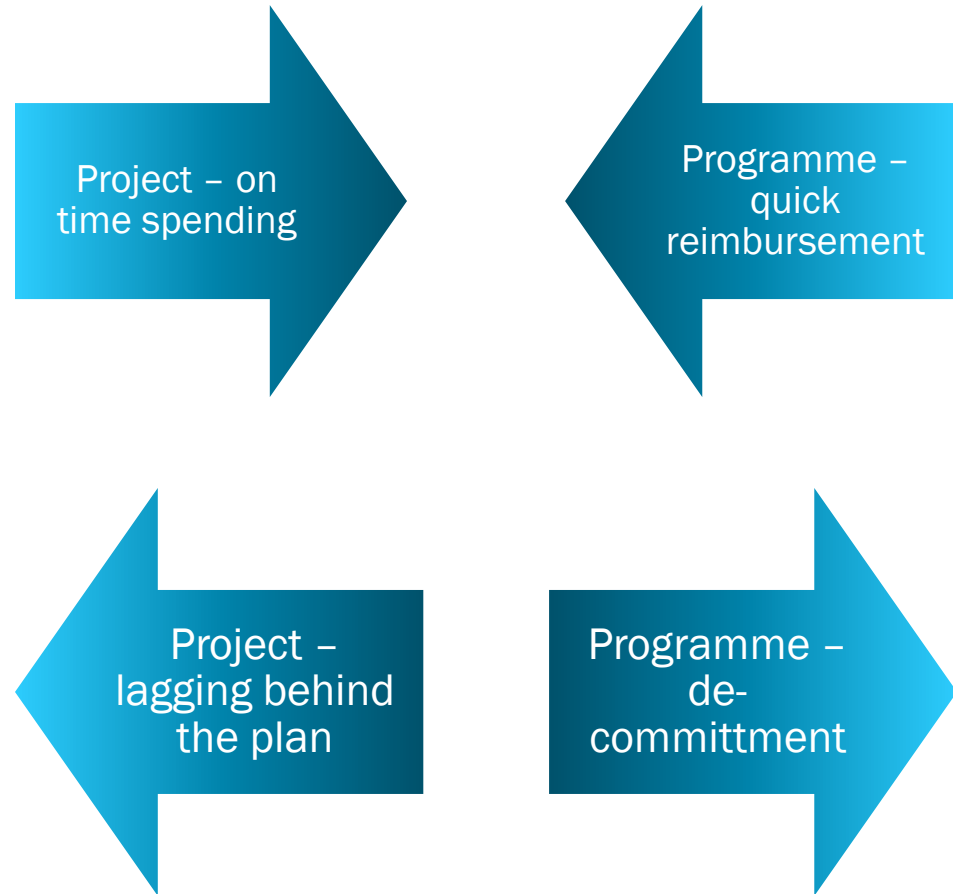
Reporting – what can get wrong?

- 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)

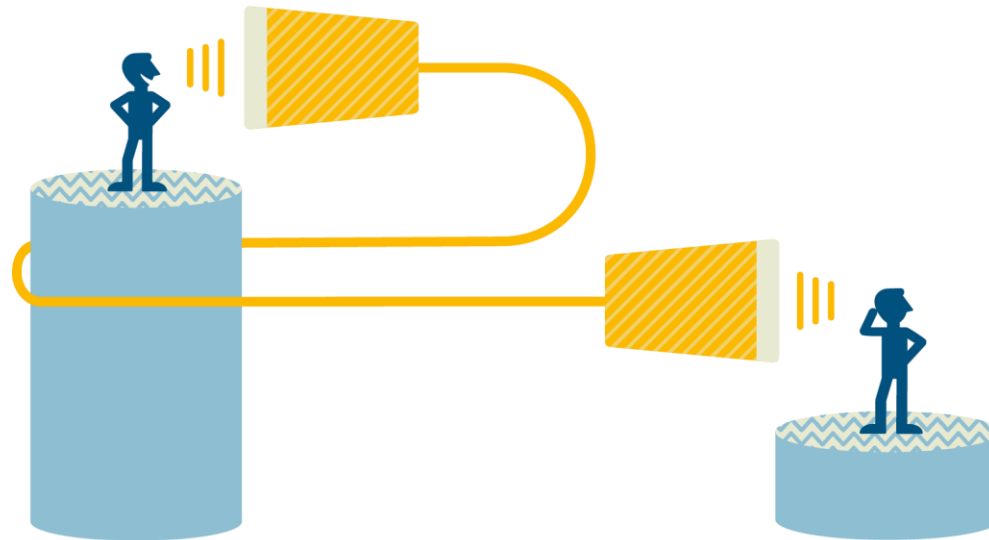


Project financial implementation warning signs

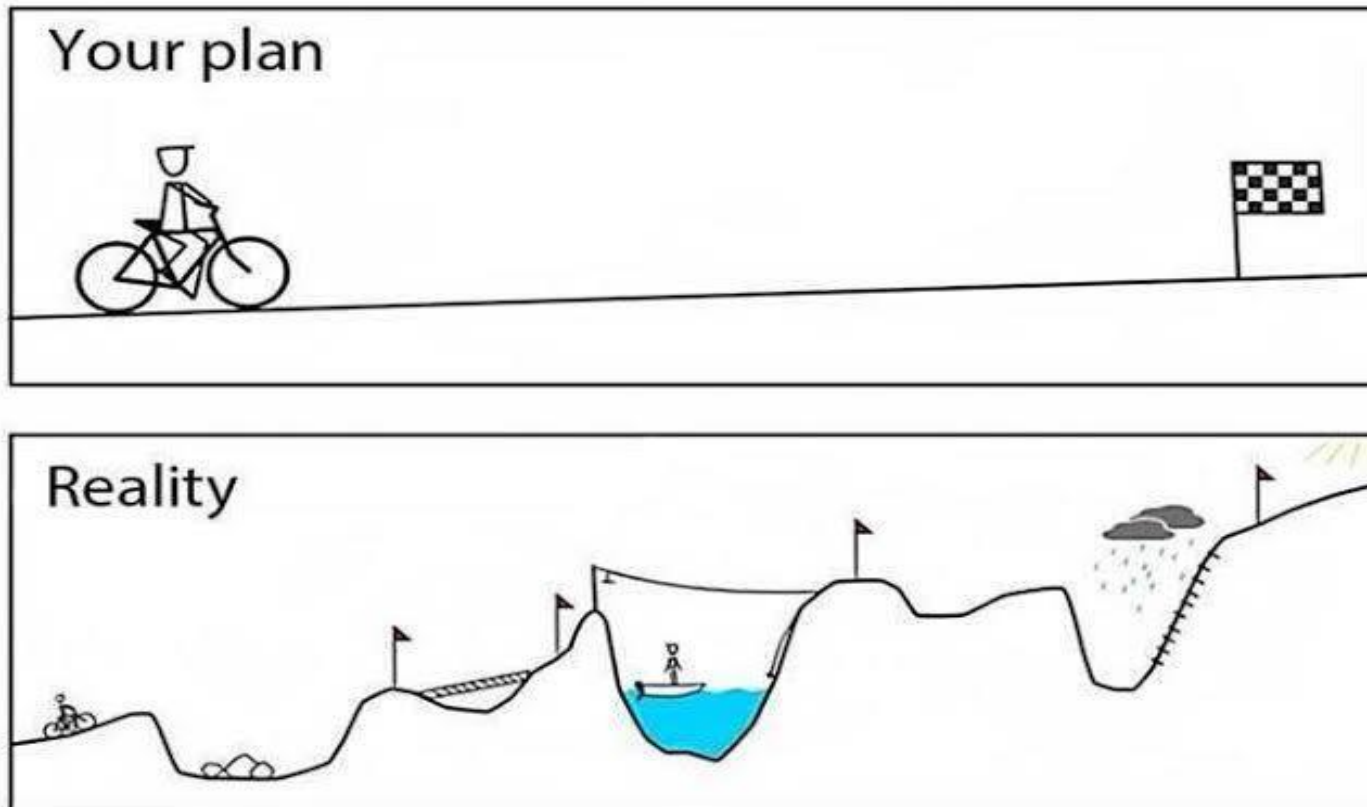
- No proper monitoring
(where is the invoice for these constructions works?)
- No clear leadership
(should we buy it now or next year?)
- Inexperienced project management
(I am not into finance – consult your accountant)
- Little communication at every level
(I did not know it is important)
- Competing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



Project modifications



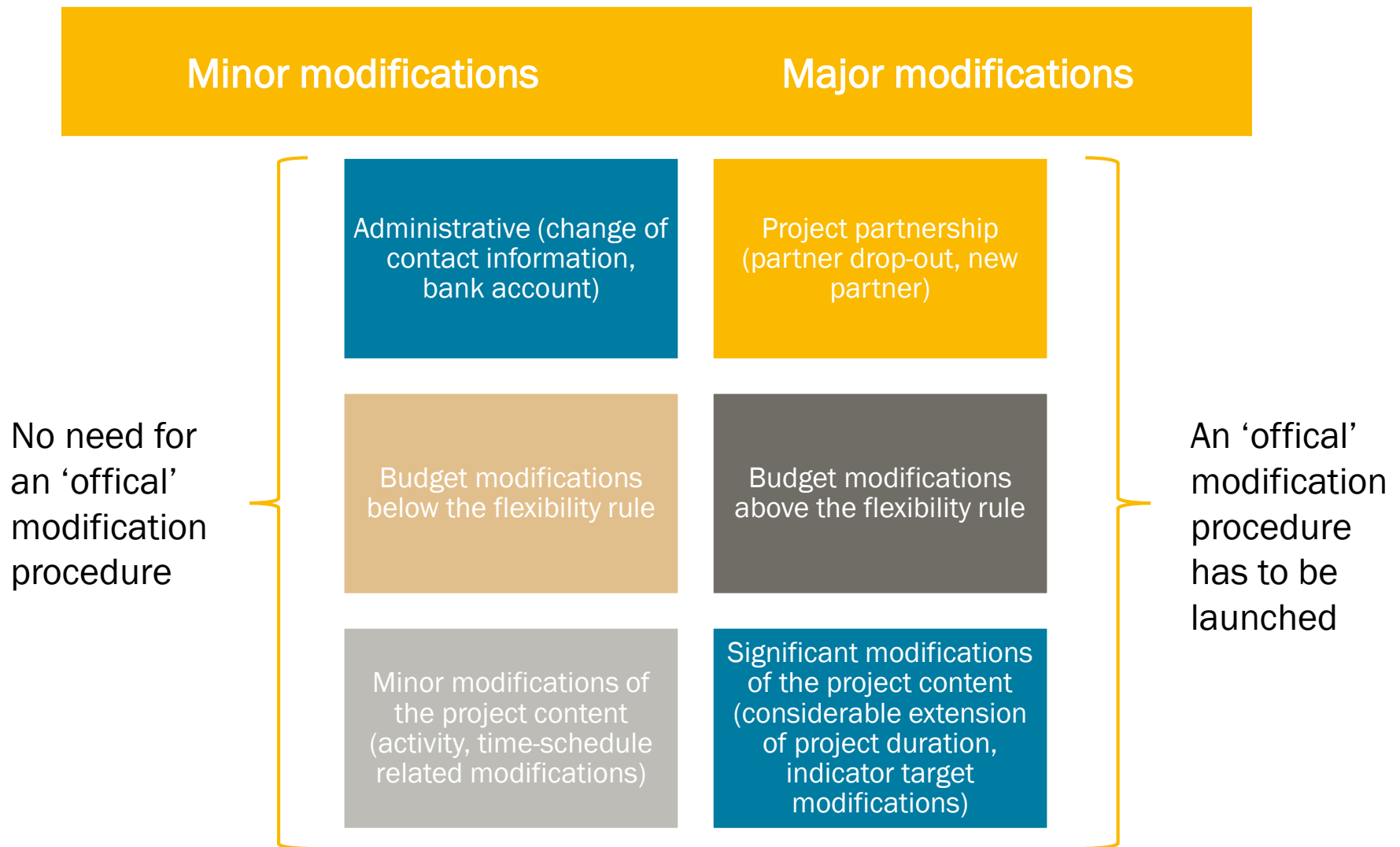
Nothing goes as planned, but that is fine provided someone controls the situation



Project modifications 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 %

Types of project modifications



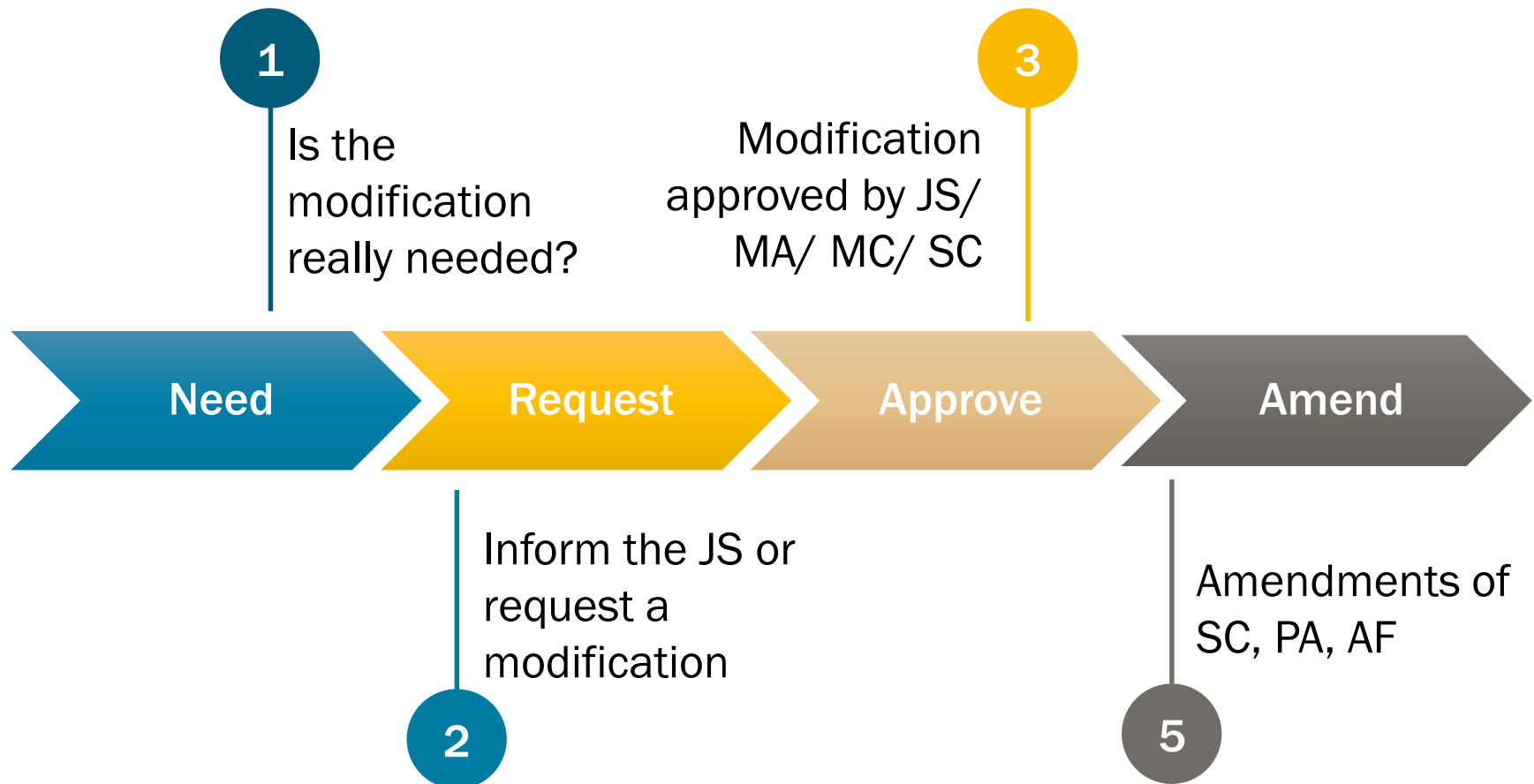
Budget modifications

Budget modifications:

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

Budget flexibility rule – reallocation of a certain budget amount between BLs, WPs and sometimes PPs without having a request for a change.

Project modification procedure

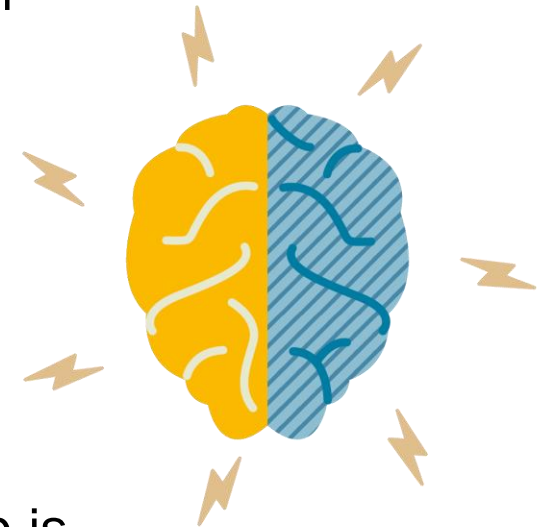


Questions asked by programme before modification considered

- 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 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



Unavoidable

Erupting volcano, fire in the office, flooded investment

Cooperation works

All materials will be available on:

[**www.interact-eu.net**](http://www.interact-eu.net)