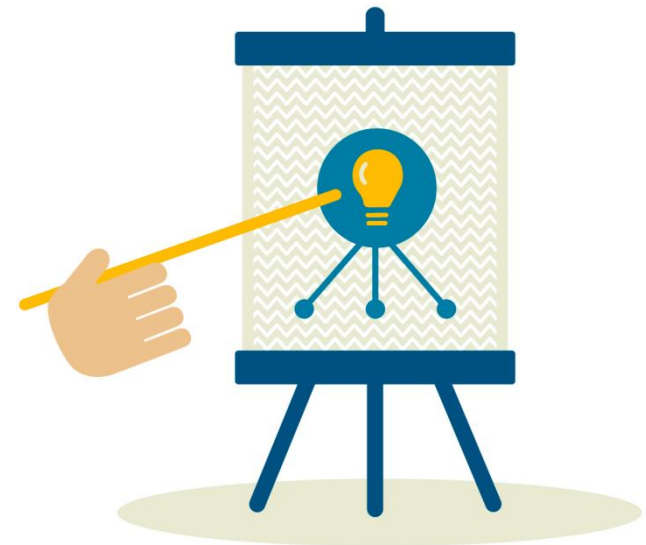


# Project Implementation - Financial Management

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Project Management training  
26-27 April 2018 | Malta

**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

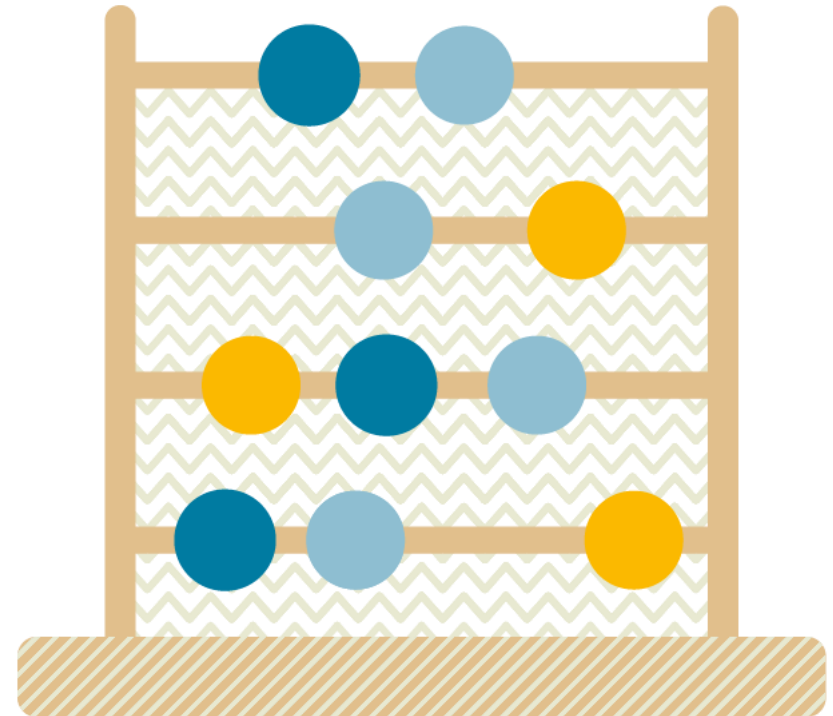
# Reporting

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

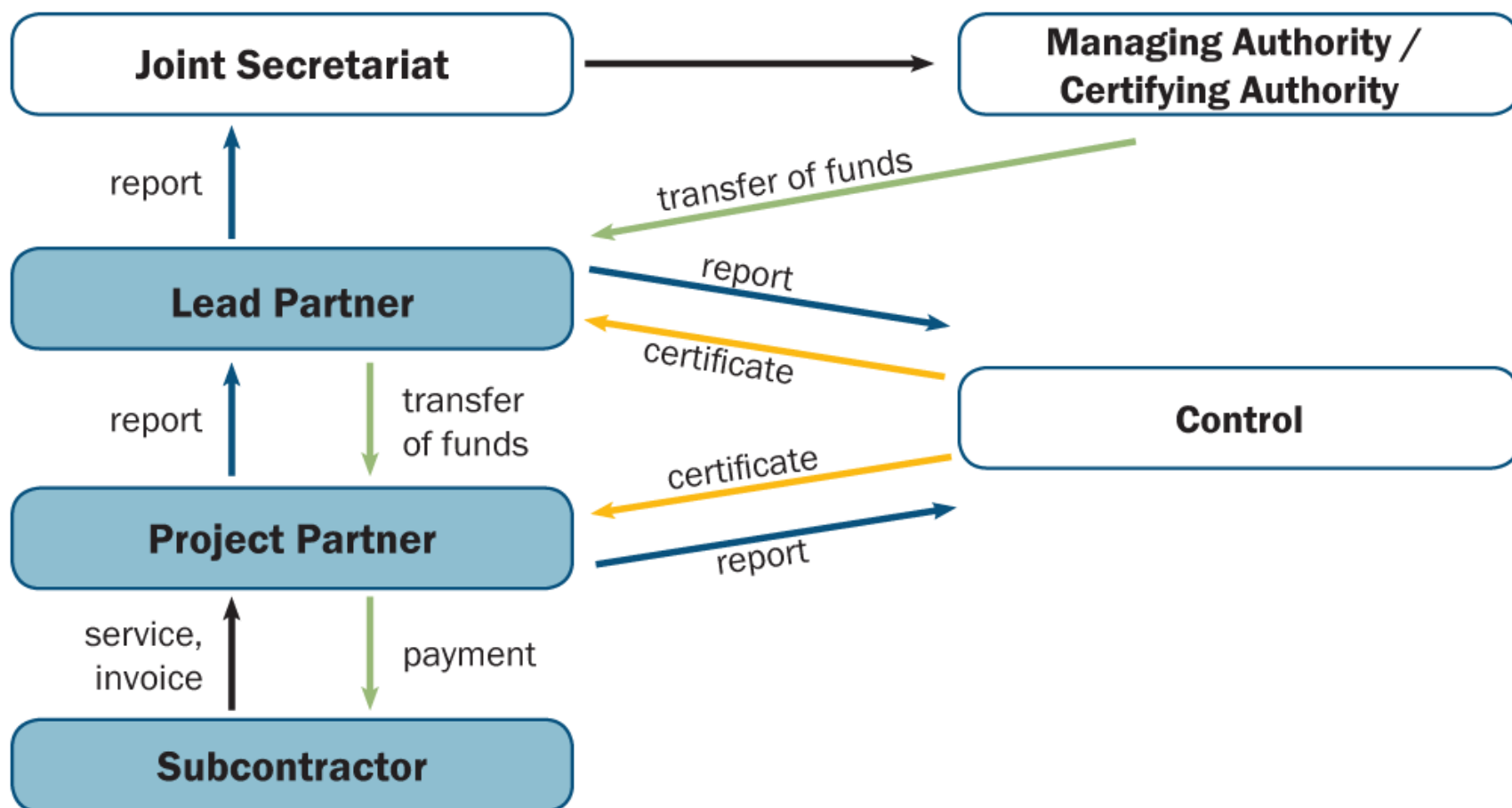
- Deliverables comply with content and quality requirements
- Cost as budgeted
- Determine the information needs in the partnership
- Make sure that all information available on programme reporting procedures and reporting templates is passed on to the partner level
- Provide clarification related to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

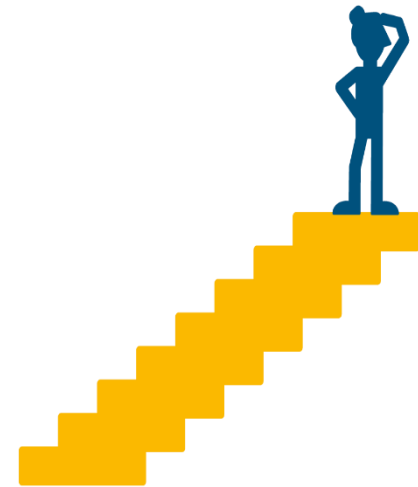


# Reporting process and cash flows



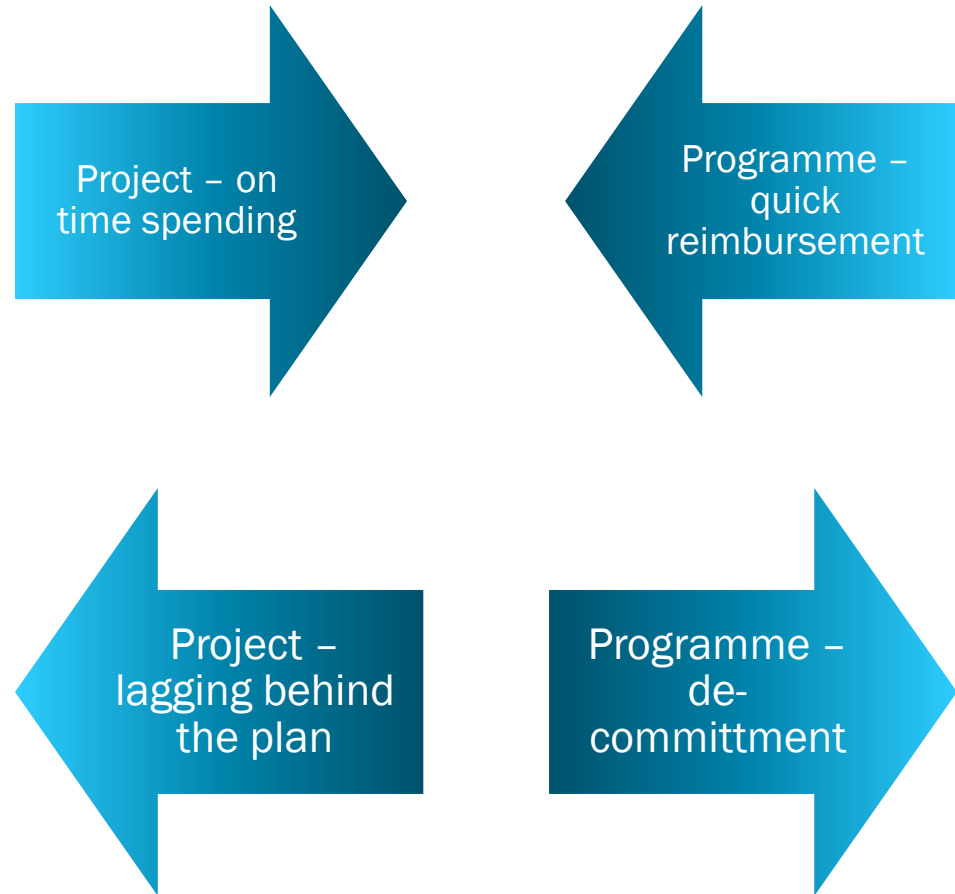
# Reporting – what can get wrong?

- 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)

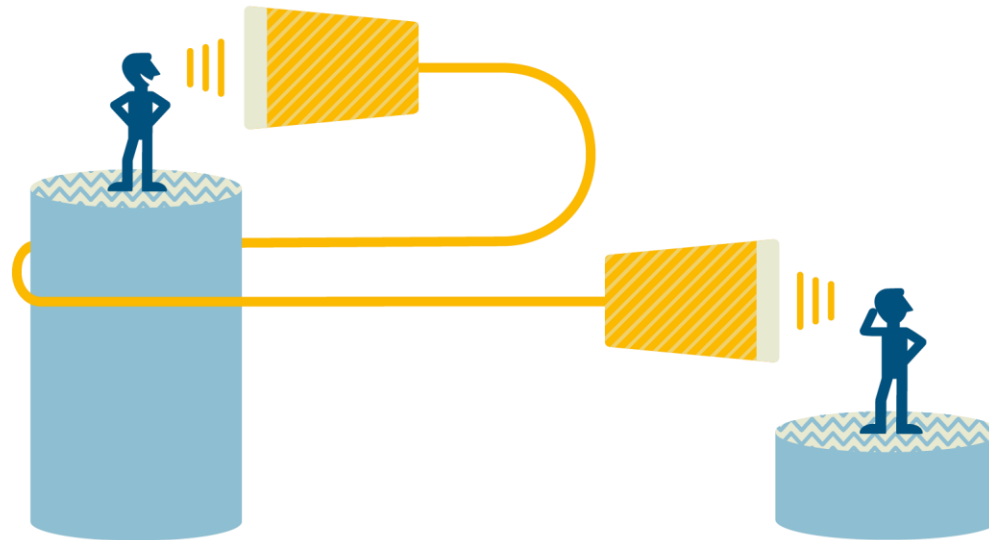


# Project financial implementation warning signs

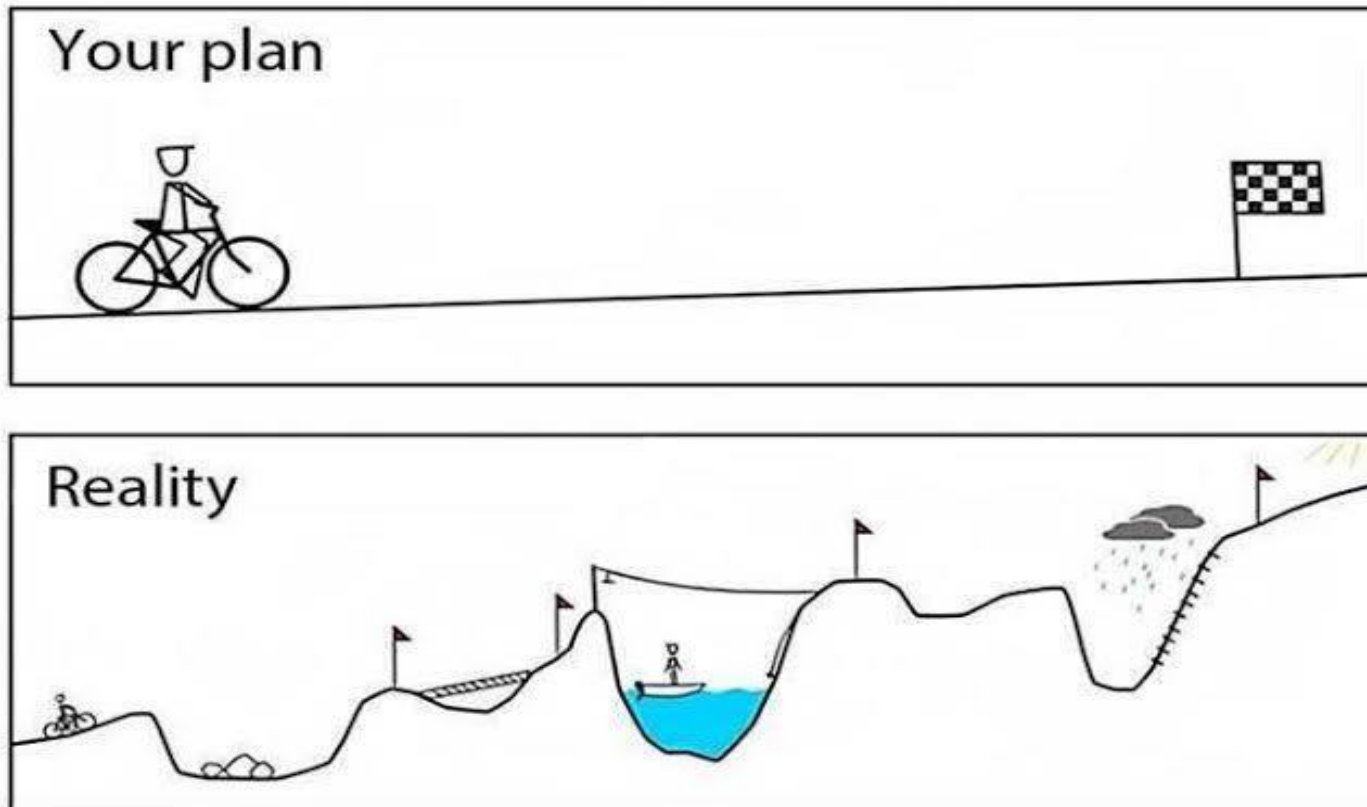
- No proper monitoring  
*(where is the invoice for these constructions works?)*
- No clear leadership  
*(should we buy it now or next year?)*
- Inexperienced project management  
*(I am not into finance – consult your accountant)*
- Little communication at every level  
*(I did not know it is important)*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



# Project modifications



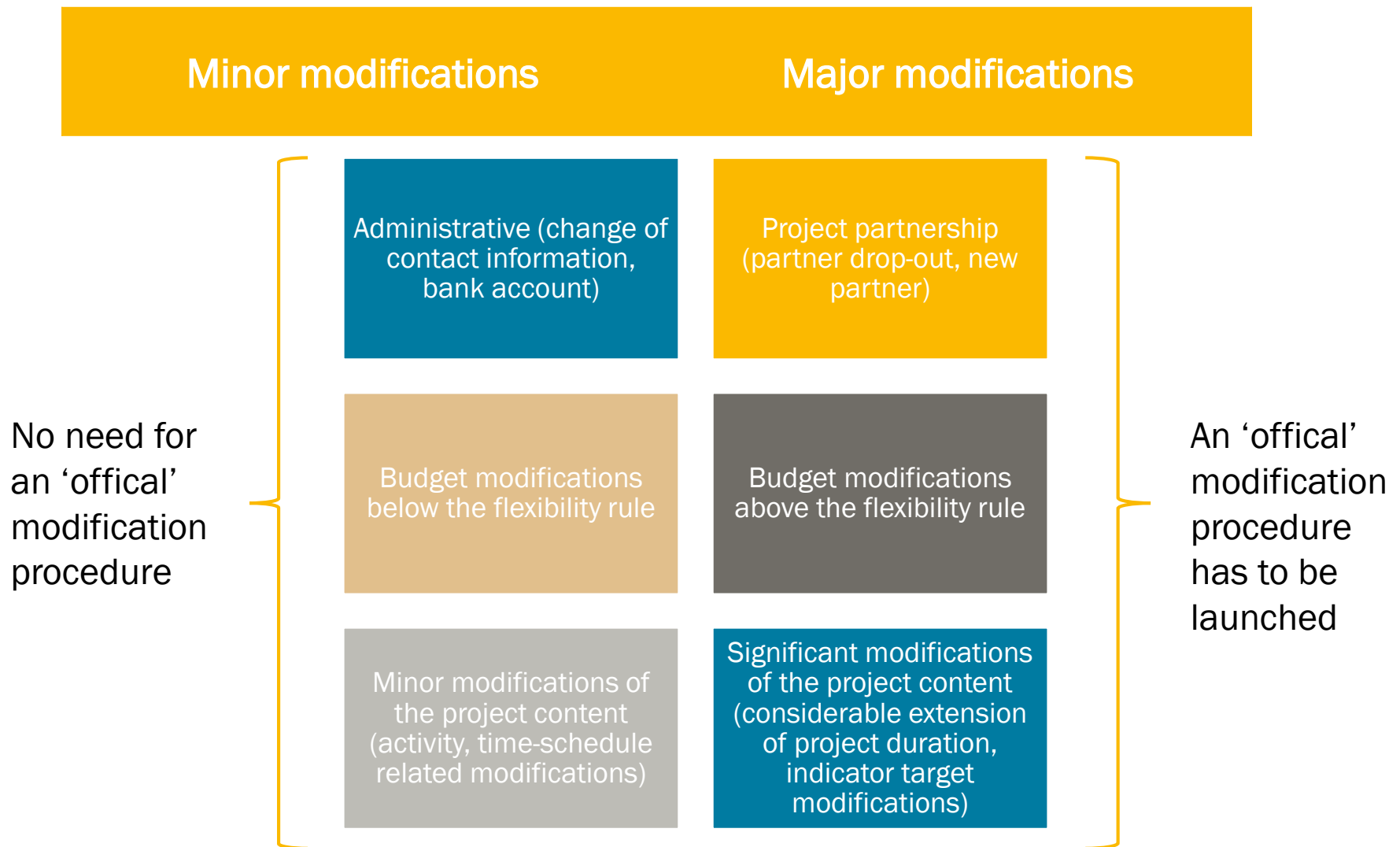
**Nothing goes as planned, but that is fine provided someone controls the situation**



# 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



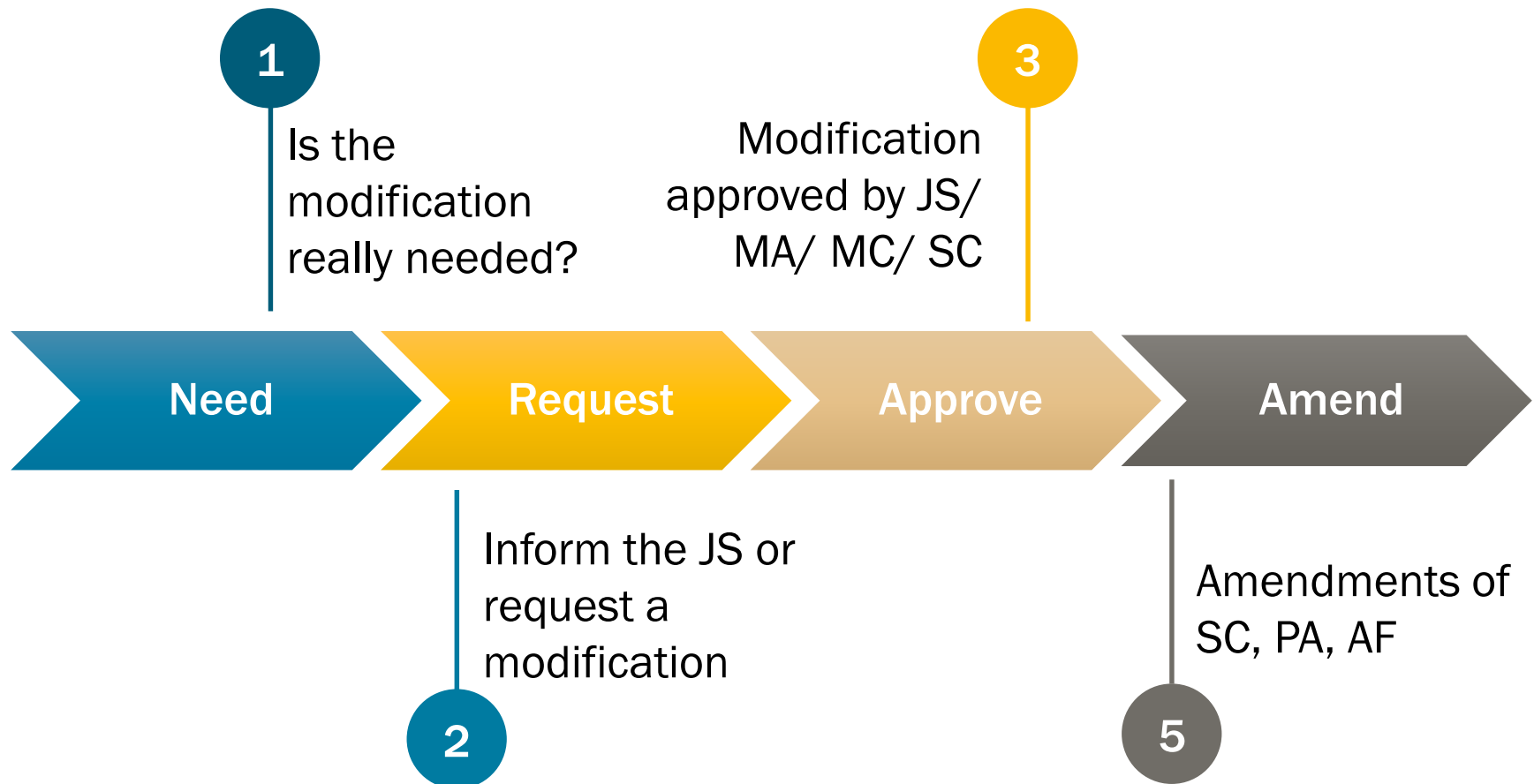
# Budget modifications

## **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

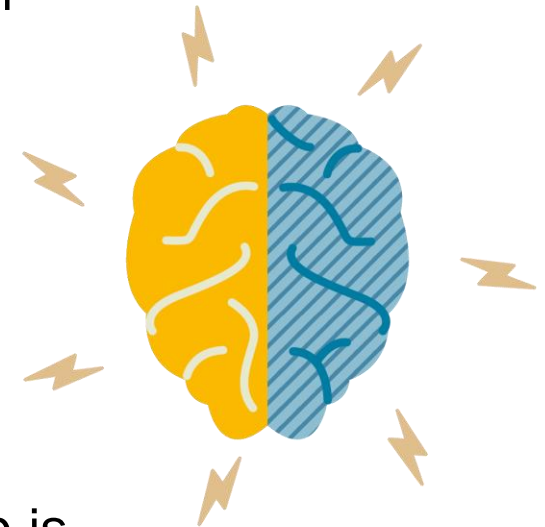


# Questions asked by programme before modification considered

- 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

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All materials will be available on:

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