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PLACE **University of Belgrade | Belgrade  
| SERBIA**



**FINAC**

FINancial management,  
Accounting & Controlling  
in public administration

## **Financial Management, Accounting & Controlling curricula development for capacity building of public administration**

### **Institutional and Financial Sustainability Plan**

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## Introduction

### Aims of the FINAC project

The central aim of “Financial management, accounting and controlling for capacity building of public administration” (FINAC) project application, is to contribute to the higher quality of budgeting, money management, finance management, accounting and control, in the Albanian and Serbian public administration. This aim will be achieved through meeting specific objectives:

- a) Designing and developing three new master degree programmes in Serbia and two new master degree programmes in Albania in the field of financial management, accounting and controlling for capacity building of public administration in Albania and Serbia,
- b) Provision of trainings at university centers/institutes for public administration employees in Serbia,
- c) Modernization of one master degree programme in the field of public financial management in Serbia.

All master degree programmes will be developed on the basis of programme level learning outcomes, flexibility of learning paths in terms of choice of elective subjects and consequent specialisation, adequate choice of teaching methods and assessment methods to ensure fulfilment of the learning outcomes, taking into account workload and continuously evaluating the system.

### Budget and Costs Effectiveness

The strategy we have adopted to ensure that the proposal can be delivered in the most cost-effective way, and therefore the following measures have been undertaken:

- Staff costs are estimated in line with partners' role and to best reflect the actual workload of partners, and respecting at the same time the propositions defined by program guidelines,
- Travel is concentrated in regional partner countries, with the exception of visits to the EU partners.
- Steering Committee meetings are attached to other events in order to minimize travel costs.
- Equipment costs have been reasonably budgeted. Free software will be used whenever possible,
- Printing and publishing has been reduced to WP.1, WP.2. & WP.8, limited promotion material, workshop material and project portal which will have both the important role in results dissemination and sustainability, project web and social media will be used to reduce costs of promotion and dissemination.
- Co-financing has been evenly distributed among all partners, except for the public body. Since all five universities will have an obligation of accreditation master degree programmes, cost of accreditation is a potential source of co-financing.
- University of Belgrade is in charge for overall financial administration, bookkeeping and reporting.

## Sustainability of the Project

The FINAC project sets as specific goals designing and accreditation of complementary master degree programmes that should contribute to developing of knowledge and expertise employees in public administration, with focus on specialized skills relating on the public financial management, accounting and financial control. These skills will contribute to improved money and budget management and increased efficiency of controlling in public administration of regional countries. The whole project should contribute to better control and higher level of transparency of finance and accounting in public governance that is in line with national priorities and principles of the EU accession of regional countries. Accordingly, the project offers expertise and political support to reforms that public administration is taking in order to upgrade quality of public financial management and controlling activities.

Accreditation of master degree programmes lasts for a minimum of three academic years in both regional countries. Universities will be highly motivated to continue with developing and implementation of master degree programmes after first generation of master students, whose tuition will be project financed. Project partners (universities/faculties in this case), where master degree programmes will be performed for the first generation, will take care about continuous promotion of the values of accredited master degree programmes, and continues realization of the curricula.

Knowledge and expertise acquired by the partner institution staff during the project will be the added value. Additionally, all short term trainings developed during the project will have future, due to their commercial character. All regional partner institution will even more actively participate in these activities within their Life Long Learning Centres and institutes.

Additionally, they will be continuously modify and adjust to specific needs of public administration, what is additional value of project.

Finally, experience of work with regional partners for a three years, will help in developing mutual trust and understanding, which will be important for development of regional policies and positive impact that cannot be underestimated.

## Financial Sustainability of the Project

### Financing the action

The maximum Erasmus+ grant contribution to the project for the contractual period covered by the Grant Agreement amounts to EUR 893.033,00 and shall take the form as stipulated in Annex III of the Grant Agreement.

The Erasmus+ grant contribution is awarded to the partnership under the form of:

- a "reimbursement of actual costs" for Equipment and Subcontracting costs,
- a "unit contribution" to the costs incurred for Staff costs, Travel costs and costs of Stay.

The grant contribution to the project is intended to cover only part of the costs actually incurred by the beneficiaries in carrying out the activities foreseen. The beneficiaries and, where applicable, other external sponsors commit to provide additional resources to the project so as to ensure its full implementation in accordance with the Grant Agreement.

Full details of the estimated budget breakdown per funding source, beneficiary and budget heading is given in signed Partnership Agreements.

In order to implement the project, the grant amount may be complemented by additional funding provided by the beneficiary, according to the Budget/Expenditure/Co-financing breakdown per beneficiary and budget category (here in Annex I). Beneficiary shall provide an indication on the level and source of co-financing that contributed to the project results.

If, for whatever reasons, some of the allocated activities will not be undertaken or completed by the beneficiary, the resources associated with those activities may be removed from the budget of the beneficiary. Prior removal of resources from the budget of the beneficiary, information in writing will be given to the beneficiary for approval, within two weeks before possible reducing its related budget. After the confirmation of the beneficiary that for whatever reasons, marked activities have not been undertaken or completed by the beneficiary, these resources shall be allocated to another beneficiary who agrees to undertake those activities.

The abovementioned activities shall be stipulated by written annex of this Agreement.

### Payment arrangements

The coordinator will transfer the part of the Erasmus+ grant contribution corresponding to the beneficiary using the bank account details of the beneficiary given in the Partnership Agreement.

If the bank account of the beneficiary changes, the new bank account details need to be communicated in a timely manner to the coordinator by filling in the form which includes the details given above, signed by the legal representative of the beneficiary.

For the purpose of transferring the part of the Erasmus+ grant contribution, the beneficiary will send Request for payment (using the Annex V of Partnership Agreement) to the coordinator, duly signed by the legal representative of the beneficiary, for each instalment calculated and approved by the coordinator on the basis of previously verified expenses and/or submitted outputs.

The transfer of the Erasmus+ grant contribution to beneficiary will be implemented in accordance with the following timetable and procedure, respecting dynamics of the implementation of the project activities, provided that the beneficiary fully implemented and documented project activities:

**First instalment of first pre-financing:** The coordinator will transfer 25% of the beneficiary's total Erasmus+ grant budget, deducted for the funds intended for equipment purchase (if applicable), after the signing of this Agreement, provided that the coordinator has received the first pre-financing payment from the Executive Agency.

**Second instalment of first pre-financing:** The coordinator will transfer 25% of the beneficiary's total Erasmus+ grant budget, deducted for the funds intended for equipment purchase (if applicable), after the coordinator has received and approved necessary documentation and materials on the performed activities .

**The coordinator will transfer funds for the purchase of the equipment** (equipment is intended exclusively for the Partner Country Higher Education Institutions, included in the partnership, as defined in the Programme Guide and Guidelines for the Use of the Grant) under the condition that the coordinator has received the requested documentation as proof that the appropriate procedure has been conducted and on the basis of eligible costs stipulated in contract(s) duly signed by the beneficiary and selected supplier(s), followed by corresponding invoice(s). Grant for the purchase of equipment has to be used exclusively for the purchase of equipment for the beneficiary for the purpose of the implementation of the project (equipment directly relevant to the objectives of the project). The equipment shall be the ownership of the beneficiary and must be recorded in the inventory of the institution where it is installed. All equipment purchased with the Erasmus+ CBHE funds must bear an Erasmus+ logo in a form of a sticker as defined by the Executive Agency. The beneficiary may not split the purchase of the equipment into smaller contracts below the threshold, in order to avoid launching a formal tendering procedure. Since the joint tendering procedure is the expression of a sound and cost-efficient management, beneficiary will inform the coordinator in a timely manner about the intention of purchase of the equipment and will not undertake any further actions related to the matter before the approval of the coordinator.

**First instalment of second pre-financing:** The coordinator will transfer 20% of the beneficiary's total Erasmus+ grant budget, provided that the coordinator has received the second pre-financing payment from the Executive Agency and the coordinator has received and approved necessary documentation and materials on the performed activities. In addition, the beneficiary will have to demonstrate expenditures covering at least 70% of the total amount already transferred.

**Second instalment of second pre-financing:** The coordinator will transfer 20% of the beneficiary's total Erasmus+ grant budget, after the coordinator has received and approved necessary documentation and materials on the performed activities. In addition, the beneficiary will have to demonstrate expenditures covering at least 90% of the total amount already transferred.

**Payment of the balance:** The final amount of the grant to be transferred to the beneficiary by the coordinator will be defined only once the total Erasmus+ grant has been confirmed by the Executive Agency after the end of the project and approval of the final report. All outstanding payments to cover actual eligible expenditures that have not been received in previous instalments will be transferred to the beneficiary within 30 days after the receipt of final payment from the Executive Agency, on

condition that the beneficiary has provided the requested necessary documentation and materials on the performed activities to the coordinator within the foreseen deadline.

Necessary documentation and materials on the performed activities are: proofs of expenditure/activity covering the amount already transferred, including requested supporting documentation for the justification of costs; proofs that the activities have been actually and properly implemented and/or that the expected output(s) have been produced; reports requested by the Executive Agency, as well as internal reports on implementation of the project.

Beneficiary is obliged to use the Erasmus+ grant contribution exclusively for the purposes defined by the project, and in accordance with the terms and provisions of the this Agreement and the Grant Agreement and its annexes. Erasmus+ grant amounts received in advance and not used by the beneficiary shall be reimbursed to the coordinator at the latest 30 days after the end of the project's contractual period.

If there is a difference between the amount of the Erasmus+ grant contribution actually used by the partnership and the amount of expenditure declared eligible by the Executive Agency at the end of the project, the beneficiary responsible for the expenditure declared ineligible shall reimburse the corresponding amount to the coordinator.

The costs of financial transfers charged by the bank shall be borne by the beneficiary receiving the part of the grant from the coordinator. These expenses will be deducted from the next instalment to the beneficiary.

### Instalments Plan:

From 1st EACEA pre-financing (we received it in November 2016)

1st instalment = 25% (- equipment costs if applicable)

2nd instalment = 25% (- equipment costs if applicable)

Separately instalment for equipment (if applicable)

From 2nd EACEA pre-financing (after we received it)

3rd instalment = 20%

4th instalment = 20%

After Final Report

5th instalment = 10% (Final Balance, if partners do pre-financing)

Please see detailed Instalments Plan in Appendix I.

### Reporting

The coordinator is responsible for submitting in due time to the Executive Agency all reports and financial statements as required in the Grant Agreement. For this purpose and in a timely manner, the beneficiary commits to provide the coordinator with all necessary information and, copies of supporting documents needed for drawing up reports, financial statements and any other documents required in the Grant Agreement.

For the purpose of partnership reporting, internal reporting forms have to be used (Annex IV in the Partnership Agreements). These reports shall be submitted by the beneficiary to the coordinator according to the following schedule:

<b>Reporting period:</b>	<b>from-to</b>	<b>deadline for submission of the partnership reports by the beneficiary to the coordinator</b>
The 1 <sup>st</sup> reporting period	15/10/2016 – 30/3/2017	10/4/2017
The 2 <sup>nd</sup> reporting period	1/4/2017 – 30/6/2017	10/7/2017
The 3 <sup>rd</sup> reporting period	1/7/2017 – 30/9/2017	10/10/2017
The 4 <sup>th</sup> reporting period	1/10/2017 – 31/12/2017	10/1/2018
The 5 <sup>th</sup> reporting period	1/1/2018 – 30/3/2018	7/4/2018
The 6 <sup>th</sup> reporting period	1/4/2018 – 30/6/2018	10/7/2018
The 7 <sup>th</sup> reporting period	1/7/2018 – 30/9/2018	10/10/2018
The 8 <sup>th</sup> reporting period	1/10/2018 – 31/12/2018	1/10/2019
The 9 <sup>th</sup> reporting period	1/1/2019 – 30/3/2019	10/4/2019
The 10 <sup>th</sup> reporting period	1/4/2019 – 30/6/2019	10/7/2019
The 11 <sup>th</sup> reporting period	1/7/2019 – 14/10/2019	14/11/2019

For the purpose of reporting by the coordinator to the Executive Agency, beneficiaries shall have to submit their reports to the coordinator, using the reporting forms (consisting of the narrative and financial part) available on the website of the Executive Agency [http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2016\\_en](http://eacea.ec.europa.eu/erasmus-plus/beneficiaries-space/capacity-building-in-field-higher-education-2016_en):

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Type of the report	deadline for submission of the reports by the coordinator to the Executive Agency	deadline for submission of the reports by the beneficiary to the coordinator
The progress report on the implementation of the action	(at the latest) half-way through the eligibility period, on 14/4/2018	at the latest 10 days before 14/4/2018
Final report	two months after the end of the contractual period, on 14/12/2019	14/11/2019

In case the beneficiary does not provide all required reports with appropriate and accurate information therein, together with financial statements and copies of supporting documents within 10 working days from the date(s) stated above, coordinator will inform beneficiary's project manager about this in written form, with the beneficiary's legal representative in carbon copy. Failure to provide all requested documents and information within 10 working days from the date of coordinator's notice will result in suspending further instalments of the Erasmus+ grant contribution to the beneficiary. The coordinator reserves the right to consult the Executive Agency if the activities declared by beneficiary and/or delivered outputs are questionable.



The coordinator shall provide the beneficiary with the appropriate reporting forms for the declaration of expenses/activities and the respective instructions for their completion. All reports have to be drawn up in EURO.

By the way of derogation from Article II.23.4 of the General Conditions of the Grant Agreement, any conversion into euro of costs incurred in other currencies shall be made by the beneficiary at the monthly accounting rate established by the European Commission and published on its website ([http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm)) applicable:

- on the month of the first pre-financing for all costs incurred until the second pre-financing is received and
- on the month of the receipt of the second pre-financing for all costs incurred until the end of the project.

Monthly accounting rates mentioned above are referred to months the transfers from the Executive Agency are made to the coordinator's account.

The beneficiary shall keep a record of any expenditure/activity incurred under the project and all proofs and related documents for a period of 5 years after the payment of the final balance under the Grant Agreement. The coordinator may reject any item which cannot be justified in accordance with the rules set out by the Executive Agency in the Grant Agreement and in the Guidelines for the Use of the Grant. In addition, the beneficiary should in particular ensure in case of control and/or audit visits that the declared costs are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and that they comply with the criteria indicated in Article II.19.1 of the Grant Agreement.

The beneficiary shall provide, at the request of the coordinator, without any delay, full access and/or delivery of the produced outputs.

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### Budgetary and financial management

The Erasmus+ grant contribution to the project's staff costs, travel costs and costs of stay will be calculated on the basis of "unit contributions" whose individual amounts are specified in the Erasmus+ Programme Guide, in the Guidelines for the Use of the Grant and in the Guidelines for the Special Mobility Strand (when applicable).

For the implementation of the project and the beneficiary's reimbursement of costs incurred in terms of staff, travel and costs of stay, the partnership will apply the unit costs amounts defined in the Erasmus+ Programme Guide and in the Guidelines for the Use of the Grant.

The Erasmus+ grant contribution to the project's equipment and subcontracting costs will be based on the justification of the costs actually incurred. This justification will take the form of the support documentation specified in the relevant section of the Guidelines for the Use of the Grant.

The beneficiaries confirm that they respect the social and labour legislation of their country regarding the costs of staff contributing to the project.

The beneficiary is responsible for ensuring adequate insurance arrangements for their staff and students while participating in project activities.

## APPENDIX I: Detailed Instalments Plan

DISTRIBUTION OF THE GRANT BY ORGANISATION (in EUR)		First pre-financing payment from EACEA (50% of The Grant)			Second pre-financing payment from EACEA (40% of The Grant) <sup>1</sup>		Final payment from the (EACEA) <sup>2</sup>
Partner N°	Name of Partner	First instalment (25% Total - Equip)	Second instalment (25% Total - Equip)	Third instalment (Equipemnt)	Fourth instalment (20% Total)	Fifth instalment (20% Total)	Fifth instalment (10% Total) <sup>3</sup>
P1	University of Belgrade	35.130,00	35.130,00	30.000,00	40.104,00	40.104,00	20.052,00
P2	University of Kragujevac	11.274,00	11.274,00	24.000,00	18.619,20	18.619,20	9.309,60
P3	State University of Novi Pazar	11.255,25	11.255,25	24.000,00	18.604,20	18.604,20	9.302,10
P4	Singidunum University	11.266,00	11.266,00	24.000,00	18.612,80	18.612,80	9.306,40
P5	Ministry of Public Administration and Local Self Government	6.791,25	6.791,25	0,00	5.433,00	5.433,00	2.716,50
P6	Centre for Education Policy	9.333,75	9.333,75	0,00	7.467,00	7.467,00	3.733,50
P7	Shkodra University "Luigj Gurakuqi"	11.251,50	11.251,50	24.000,00	18.601,20	18.601,20	9.300,60
P8	European University of Tirana	12.516,00	12.516,00	24.000,00	19.612,80	19.612,80	9.806,40
P9	University of Split	12.644,75	12.644,75	0,00	10.115,80	10.115,80	5.057,90
P10	Università degli Studi Guglielmo Marconi	7.594,50	7.594,50	0,00	6.075,60	6.075,60	3.037,80
P11	Masaryk University	7.641,50	7.641,50	0,00	6.113,20	6.113,20	3.056,60
P12	Matej Bel University	11.559,75	11.559,75	0,00	9.247,80	9.247,80	4.623,90

<sup>1</sup>After submitting of the progress report on the implementation of the action - (at the latest) half-way through the eligibility period, on 14/4/2018

<sup>2</sup> After submitting of the Final report - two months after the end of the contractual period, on 14/12/2019

<sup>3</sup>The final amount of the grant to be transferred to the beneficiary by the coordinator will be defined only once the total Erasmus+ grant has been confirmed by the Executive Agency after the end of the project and approval of the final report. All outstanding payments to cover actual eligible expenditures that have not been received in previous instalments will be transferred to the beneficiary within 30 days after the receipt of final payment from the Executive Agency, on condition that the beneficiary has provided the requested necessary documentation and materials on the performed activities to the coordinator within the foreseen deadline.

## APPENDIX II: Detailed Budget per Beneficiaries

DISTRIBUTION OF THE GRANT BY ORGANISATION (in EUR)									
Partner N°	Name of Partner	Country	PR/PA	1. Staff Costs	2. Travel Costs	3. Costs of Stay	4. Equipment Costs	5. Subcontracting Costs	Total Costs (in EUR)
P1	University of Belgrade	Serbia	Partner Countries	80.610,00	16.150,00	38.160,00	30.000,00	35.600,00	200.520,00
P2	University of Kragujevac	Serbia	Partner Countries	37.246,00	8.190,00	18.360,00	24.000,00	5.300,00	93.096,00
P3	State University of Novi Pazar	Serbia	Partner Countries	37.246,00	8.995,00	17.880,00	24.000,00	4.900,00	93.021,00
P4	Singidunum University	Serbia	Partner Countries	37.209,00	7.715,00	18.840,00	24.000,00	5.300,00	93.064,00
P5	Ministry of Public Administration and Local Self Government	Serbia	Partner Countries	10.675,00	4.730,00	11.760,00	0,00	0,00	27.165,00
P6	Centre for Education Policy	Serbia	Partner Countries	18.385,00	4.180,00	10.200,00	0,00	4.570,00	37.335,00
P7	Shkoder University "Luigj Gurakuqi"	Albania	Partner Countries	37.246,00	8.000,00	18.360,00	24.000,00	5.400,00	93.006,00
P8	European University of Tirana	Albania	Partner Countries	39.244,00	7.820,00	18.000,00	24.000,00	9.000,00	98.064,00
P9	University of Split	Croatia	Programme Countries	20.019,00	7.920,00	17.640,00	0,00	5.000,00	50.579,00
P10	Università degli Studi Guglielmo Marconi	Italy	Programme Countries	12.138,00	6.960,00	11.280,00	0,00	0,00	30.378,00
P11	Masaryk University	Czech Republic	Programme Countries	12.136,00	7.150,00	11.280,00	0,00	0,00	30.566,00
P12	Matej Bel University	Slovakia	Programme Countries	18.434,00	9.565,00	18.240,00	0,00	0,00	46.239,00
<b>Total</b>				<b>360.588,00</b>	<b>97.375,00</b>	<b>210.000,00</b>	<b>150.000,00</b>	<b>75.070,00</b>	<b>893.033,00</b>