



Swedish Council for
Higher Education



Nordplus

Advice on financial management for granted projects

Nordplus Junior

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1. Introduction

You have been granted support for a project within Nordplus Junior - congratulations! Based on questions the Junior administration is often asked, this document was composed to help you get started.

The purpose is to give you advice on the general financial management of the project grant, as well as other useful information concerning responsibilities and budget adjustments.

The term *mobility projects* will be used as a collective name and refers to: class exchanges, teacher exchanges, individual pupil exchanges and preparatory visits. Project/networks are referred to as *project/networks*.

Any communication or publication related to the project must indicate that the project has received funding from Nordplus Junior. Information or promotional materials such as websites, brochures, presentations, reports, teaching materials, etc. must promote the programme and display its logo. The Nordplus logo can be downloaded at nordplusonline.org/Documents2/Logos.

2. Role and responsibilities of the coordinating institution

The coordinator of the project signs the Project document (contract) and receives the grant payment from the Nordplus Junior main administrator and is therefore directly responsible for the project vis-à-vis the Junior administration and the project's participant institutions.

The main areas of responsibility of the coordinating institution are to:

- **distribute** the grant to each partner institution in accordance with the approved project plan and ensure that all the appropriate payments are made without unjustified delay,
- be the **intermediary** for all communication between the partners and the Junior administration,
- immediately **inform** the Junior administration of any changes in a partner institution (e.g. contact persons or legal representatives) or any event likely to affect or delay the implementation of the project,
- **coordinate** the collaboration between the partner institutions in each country,

- **oversee** that the completed and intended activities, actions and focus are in accordance with the approved project's objective(s), plan and budget,
- **collect and store** all necessary information and documentation from all partner institutions for the use in the final report and for a possible future audit,
- **submit the final report** (and interim report if required) within the deadline and ensure that it includes all required information.

2.1 Project partnership contract

The programme administration **recommends** that a partnership contract is set up in the beginning of the project in order to align expectations and agree on the individual contribution of each partner, as well as the distribution of the grant. If you establish this contract, it is an internal project affair and the Junior administration does *not* require it.

We recommend that the partnership contract as a minimum considers:

- the share of grant per partner institution,
- the principle of distribution of grant to each partner institution,
- the procedure for reporting,
- the collection of supporting documents.

It is the responsibility of the coordinating institution to draft a partnership contract, but it must be ensured that all partners agree and decide on the content of the contract and particularly on the principles for distribution of the grant – see examples 2.2 below.

2.2 Distribution of grant to partner institutions

It is the responsibility of the coordinating institution to distribute the grant it receives to each partner institution in accordance with the approved application and project plan.

The distribution can follow the unit costs of the programme, but the participant institutions can also decide on a different distribution, e.g. by considering the actual costs of the activities. In either way, the **principle of distribution** and the share of grant by each partner should be agreed on from the outset of the project.

Likewise, the project partnership is free to decide their own **payment procedures** depending on context or need. Possible procedures are:

- one pre-payment of the entire sum which was granted for that specific partner institution (based on allocated unit costs). Later followed by a final 20% payment after a successful reporting, if the project received 80% as a first payment,
- partial pre-payments for a partial period based on internal project reporting,
- individual payments based on requests from each partner institution, when a specific activity has been carried out and costs have incurred.

The procedure chosen by the coordinator and its partners should balance what is most effective considering the grant size and according to principles for sound financial management.

3. General framework for financial management

Grants from Nordplus are regarded as contribution to project costs and do not fully cover all actual project related costs. All participating institutions must therefore expect a certain degree of **co-financing**.

For mobility projects, the co-financing is *not* to be specified or documented neither in the application, nor in the final report as it is presupposed in the unit cost system.

For project/networks, co-financing of 25% is *required* and must therefore be accounted for in both the application and in the final report.

The system of **unit costs for mobility projects** further entails that all documentation is connected to the realization of a performed mobility (a person traveling to and from another country) and not the *actual* costs incurred. Because of the unit cost system, mobility projects are asked to report the number of performed mobilities during the project period.

For **project/networks** you report the *actual* costs in a separate budget file. However, if you applied for, and were granted, unit costs for travels and accommodation in your application, you report them as unit costs. The financial reporting depends on how you applied and were granted.

The collecting of **financial documentation**, such as e.g. receipts and transportation confirmations, should be done systematically throughout the project period. This documentation is not to be submitted together with the final report but must be kept by the coordinating institution for at least 5 years after the approval of the final report, in case of an audit.

Grants can never be increased or raised from the amount indicated in the contract.

3.1 Payments and audits

When the Swedish Council for Higher Education has received the contract, grants are paid in two separate instalments; except for grants of less than 15.000 Euro where 100% of the grant will be paid at onc. For all other grants a pre-payment of 80% of the total grant is issued when the contract has been signed and a post-payment of up to 20% is issued when the final project report has been approved.

After the final report has been submitted, the Nordplus Junior administration will make a financial assessment in order to establish the final grant amount.

Desk checks of supporting documentation after the final report stage, may be carried out on randomly selected projects up to five years after the submission of the final report. A desk check means that the administration collects financial documentation and other documentation connected to the project activities (e.g. receipts, travel confirmations). Furthermore, national Nordplus offices may conduct monitoring visits where you might be asked to present financial documentation; such visits will be notified in due time if you are selected.

3.2 Practical advice handling the grant

Below is some practical advice on how to handle the grant:

- A separate bank account is not required, but the project should be established as a separate activity within the accounting system of the coordinating institution. This because it should be possible to separate project activities from other institutional activities in case of an audit.
- When receiving the grant, make sure it is kept in Euros. Otherwise changes in currency rates can affect the total grant sum negatively.
- Only bank accounts of institutions are to be used when the coordinator transfers grant amounts, never private accounts.

3.3 Force majeure

The Nordplus Junior programme can never provide additional funding to the grant amount indicated in the contract. However, in justified cases, expenses for cancelled activities or unforeseen costs may be covered by the grant, e.g. in

case of sudden illness, or death in the close family, during a stay abroad. The administration can accept e.g. travel and boarding costs even if the minimum duration of the stay is not fulfilled. Further documentation and contact with the Junior administration is required.

Exchanges cancelled prior to departure due to illness etc. are not accepted as Force Majeure, as cancellation insurance should have been signed.

4. Budget adjustments

As a rule, the project should be carried out in accordance with the grant and activity plan of the approved application. However, projects occasionally take unforeseen directions, and limited adjustments of the existing plan and grant may be necessary. Certain flexibility is thus foreseen by the regulations of the programme and described below.

The guiding principle for all changes is that the main objectives of the project must never be put at risk and the total grant can never be increased from the amount indicated in the contract. All changes, including minor adjustments described below, must be explained and argued for in the final report.

As mentioned earlier, mobility grants are not based on the *actual* expenses incurred, which means that if mobilities are carried out as stated in the grant decision in terms of number of participants, duration and sending/host country, the partnership is entitled to the full grant regardless of the actual costs of the exchanges. As a result, it is the number of participants, the duration of the stays and the sending/host country which must be reported and documented.

Put differently, changes in these categories may have consequences for the grant size:

- If **fewer participants** have taken part in the exchanges, the final grant amount will be reduced accordingly.
- Changes in **sending/host country** may in some cases lead to a reduction of grant as different travel rates apply to different countries. Any change in sending/host country must be justified and approved by the Junior administration and cannot lead to an increase in the grant amount.
- Changes in **number of meetings/activities** compared to the approved activity plan, might also result in a financial adaptation. These changes must also be motivated to, and approved by, the Junior administration.

- The **minimum duration of stay for the exchange** in question must be kept. Shorter stays than the required minimum are ineligible. See the Nordplus Handbook for the various types of exchanges and their minimum duration.

If exchanges are fulfilled and carried out as indicated in the grant decision, the actual use of the grant can take place with full flexibility. These examples **do not require** approval by the Junior administration and show how you can use surplus allocations:

- Grant amounts originally allocated to travel costs can be used for **subsistence costs** and vice versa, e.g. the granted travel rates are higher than the actual travel costs and unused travel grant amounts are generated. Surplus money from travel rates can also be used for accommodation for pupils.
- Grant amounts originally allocated to stays in **one country/institution** can be used for costs of stays in **another country/institution** in the project partnership, e.g. when the travel and board and accommodation costs for one country are higher than the actual costs and unused grant amounts for a country are generated - and vice versa.
- When carrying out the exchanges approved in the grant decision, any unused grant amount can be used to include **more participants** or to cover **other costs** specifically incurred from the surplus of the exchanges.
- Surplus money in the end of the project can be used for **dissemination** of project results, or extra **evaluation** activities. As long as these events and activities are directly linked to the project and benefits its objectives.

4.1 General guidelines for eligible and ineligible costs

Eligible costs are the costs directly linked to activities in the approved project plan. Some costs however, can be eligible to a certain extent (often stated in the Project document).

These costs are eligible to a reasonable extent:

- external lecturers/experts,
- translation before publication,
- help with webpages,
- sharing results with other educational institutions,
- facilities (e.g. if the project had to *rent* facilities for external lecturers),
- study material and reference literature.

These costs are *not* eligible:

- costs for activities outside the approved project period,
- costs unrelated to the project and its activities,
- costs for participants not living in Nordic or Baltic countries,
- costs for activities outside the Nordic or Baltic countries,
- overheads, i.e. general unspecified costs not directly connected to the project,
- allowances (these are regulated compensations in certain countries, like extra salaries for teachers travelling with pupils),
- office equipment or tool kits in larger scales (e.g. IT equipment and fixed inventory),
- facilities - if the project has a meeting in one of the participant's premises,
- salaries (*employing* staff for project assignments, e.g. administration and IT, or costs for substitute teachers),
- accounting or auditing.

If you are hesitant on which costs can be covered by the grant, contact the Junior administration.

4.2 Support for administrative expenses

For **projects/networks** only, the coordinating institution may apply for, and if granted use, a maximum of 5% of the total grant for administrative expenses in order to meet the added cost of coordinating the activities. However, the participant institutions are free to decide on the distribution of this grant between them depending on their respective workload and their individual contribution. Advantageously, the distribution principal for this administrative grant should be agreed on initially.

5. Guidance and contact with the Junior administration

If you have further questions, do not hesitate to contact the Junior administration on nordplus@uhr.se.

We wish you the best of luck with your project!

// Nordplus Junior administration