



Education and Culture

Leonardo da Vinci

I N N O M E T I I

Integrated human resources development and monitoring system for adding innovation capacity of labour force and entrepreneurs of the metal engineering, machinery and apparatus sector

Work Package 8.1

**FINANCIAL GUIDELINE FOR LEONARDO DA VINCI II
PROGRAMME PROJECT**

***“INNOMET II – INTEGRATED HUMAN RESOURCES
DEVELOPMENT AND MONITORING SYSTEM FOR ADDING
INNOVATION CAPACITY OF LABOUR FORCE AND
ENTREPRENEURS OF THE METAL ENGINEERING, MACHINERY
AND APPARATUS SECTOR”***

Tallinn 2005

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1. PURPOSE AND PRINCIPLES

The purpose of the financial guideline for Leonardo da Vinci II Programme project “INNOMET II – Integrated Human Resources Development and Monitoring System for Adding Innovation Capacity of Labour Force and Entrepreneurs of the Metal Engineering, Machinery and Apparatus Sector” (INNOMET II) (*financial guideline*) is to follow the rules of the Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contractors” (*handbook*) to determine the financial management of the project and observe the budget performance of the project during the INNOMET II (No EE/05/B/F/PP-169001) from the 01st of October 2005 to the 31st of March 2007.

The objective of this financial guideline is to assist all partners with clear instructions and financial forms. For achieving the objective the content of every budget line and the reporting arrangements will be explained.

Basic requirements for the project administration and financial management are derived from the Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contractors”. The financial guideline for INNOMET II explains the aspects of the handbook and agreements of the project, as well as gives advice for accomplishing the reporting system in most effective way. Financial management of the project provides help, ensuring that the best results/products are produced at a reasonable cost.

The financial guideline does not set limits to project agreements and handbook in any way; it only explains different aspects of the agreements, handbook and the budget!

It is very important to specify in every partner’s organisation **who** (person entitled to sign) will endorse, pay and confirm accounting documents (expense receipts and payment documents) for the project accounting.

It is obligatory to inform the Beneficiary about every single possible amendment in the budget before it will be realized!

Please send information with amendment request to the technical coordinator of the project (Kadri Orula, e-mail innomet@staff.ttu.ee). Beneficiary confirms your request with Leonardo Office in **10** business days. After accorded permission by Beneficiary the asked change is allowed to accomplish.

*** Please see also the agreements and Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

2. CONTRACT COMMITMENTS FOR BENEFICIARY

The Promoter must submit:

- a Contracting Form fully completed and signed by the person legally entitled to sign the Agreement. When filling in the form the Promoter is required to take into account the breakdown of costs of the consolidated budget and to consider the experts` comments;
- the Financial Identification Form (to be submitted along with the Contracting Form), which is to be completed and signed by the person legally entitled to sign the Agreement (or the person legally authorised to sign such documents by the organisation) and then further signed and stamped by the bank;
- original Letters of Intent from Partners (where these have not previously been submitted and/or where new or replacement Partners are introduced at the contracting stage).

*** Please see also the agreements and chapter II.3 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

3. CONTRACT COMMITMENTS FOR PARTNER

Every Partner is obligated to:

- a) to use the grant according to the agreement and according to the financial guide;
- b) ensure the required co-funding amount during the project duration time (from the 01st October 2005 till the 31st of March 2007) according to the agreements;
- c) submit required information and reports (quarterly reports and the final report) in required forms by the required dates to the Beneficiary;
- d) inform Beneficiary about changing the responsible person for the project during 5 business days;
- e) guarantee that the costs, expense receipts and payment documents related to the INNOMET II are distinguished from the other costs, expense receipts and payment documents among the partner's accounting system;
- f) obey all instructions will be made in operations of controlling and auditing;
- g) use the required forms for drawing up the agreements, reports and expense receipts.

*** Please see also the agreements and Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4. BUDGET AND ELIGIBILITY

In general, only costs meeting the following criteria are eligible for funding:

- they MUST relate to activities involving the Member States of the European Union and/or the European Economic Area and/or the associated countries participating officially in the programme (Bulgaria, Romania and Turkey). Any costs relating to activities undertaken outside of these participating countries are not eligible under the Leonardo da Vinci programme;
- they must be directly connected with execution of the project in accordance with the work plan;
- they must be incurred by partner organisations;
- they must be actual costs i.e. the actual costs incurred must correspond to payments made by the Partnership, supported by invoices or accounting documents of equivalent value.

Where national taxation and accounting rules do not require an invoice, an accounting document of equivalent value means any document produced in order to prove that the accounting entry is accurate and which complies with the applicable accounting law.

The project duration (01st October 2005-31st March 2007) is that stipulated in the Agreement, i.e. the eligibility period. Only costs incurred as part of the project and during this period will be regarded as eligible. Costs incurred before or after will not be eligible.

*** Please see Annex 1. Budget**

*** Please see chapter III.2 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.1. Estimated expenditures by work package and type of costs

Estimated expenditures of the project are divided by Work Packages (WP). There are 9 WP in the project. Expenditures by each WP contain different type of costs (staff costs, operational costs and subcontracting costs) according to the budget lines.

*** Please see Annex 2. Work Packages for further information.**

Please see the Table 1 “Expenditures by Work Packages”.

Work Package	Staff	Operational	Subcontracting	Total
I	21 000	18 000	4 000	43 000
II	20 000	17 235	5 000	42 235
III	20 000	17 000	5 602	42 602
IV	20 000	17 000	4 000	41 000
V	20 000	17 000	4 000	41 000
VI	20 000	17 000	4 000	41 000
VII	21 000	16 000	4 000	41 000
VIII	19 871	16 000	3 000	38 871
IX	20 000	16 000	4 000	40 000
Total	181 871	151 235	37 602	370 708

Table 1. Expenditures by Work Packages

4.2. Estimated staff needs and cost by partner (Budget Line A.)

Staff costs comprise any salary and/or remuneration paid to persons **employed by a Partner organisation or working regularly or recurrently for the project**. This figure should include salary costs (for salaried and other staff) which are paid under the staff budget (for normal accountancy purposes) plus all the usual contributions paid by the employer, such as social security contributions, social fees, holiday payments and pension costs but must exclude any bonuses, incentive payments or profit-sharing schemes. This figure must not include costs relating to persons undertaking subcontracted tasks.

Please see the Table 2 “Total staff costs (budget line A.)”, Table 3 “Total staff costs according to the staff category (ISCO)”, Table 4-11 “Staff costs for Partners” and Table 12 “Financing sources for staff costs”.

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
A. Total staff cost	181 871	27 926	32 580	6 510	28 832	23 345	8 287	9 470	44 921

Table 2. Total staff costs (budget line A.)

All costs in Euro	Total		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	441	101	44 712
2. Researchers	532	87	46 476
3. Teachers/trainers	450	114	51 230
4. Technical	322	52	16 692
5. Administrative	401	57	22 761
Total	2 146		181 871

Table 3. Total staff costs according to the staff category (ISCO) (budget line A.)

All costs in Euro	P1 EML		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	108	78	8 424
2. Researchers	132	68	8 976
3. Teachers/trainers	38	61	2 318
4. Technical	108	42	4 536
5. Administrative	108	34	3 672
Total	494		27 926

Table 4. Staff costs for Partner 1 / EML (budget line A.)

All costs in Euro	P2 TUT		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	16	78	1 248
2. Researchers	176	65	11 440

3. Teachers/trainers	176	61	10 736
4. Technical	156	43	6 708
5. Administrative	72	34	2 448
Total	596		32 580

Table 5. Staff costs for Partner 2 /TUT (budget line A.)

All costs in Euro	P3 TCEB		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	91	60	5 460
2. Researchers	0	0	0
3. Teachers/trainers	0	0	0
4. Technical	0	0	0
5. Administrative	25	42	1 050
Total	116		6 510

Table 6. Staff costs for Partner 3 / TCEB (budget line A.)

All costs in Euro	P4 BME		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	54	100	5 400
2. Researchers	144	80	11 520
3. Teachers/trainers	108	80	8 640
4. Technical	34	60	2 040
5. Administrative	28	44	1 232
Total	368		28 832

Table 7. Staff costs for Partner 4 / BME (budget line A.)

All costs in Euro	P5 IAL		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	15	210	3 150
2. Researchers	35	175	6 125
3. Teachers/trainers	40	140	5 600
4. Technical	20	126	2 520
5. Administrative	50	119	5 950
Total	160		23 345

Table 8. Staff costs for Partner 5 / IAL (budget line A.)

All costs in Euro	P6 LMA		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	107	50	5 350
2. Researchers	0	0	0
3. Teachers/trainers	0	0	0
4. Technical	0	0	0
5. Administrative	89	33	2 937
Total	196		8 287

Table 9. Staff costs for Partner 6 / LMA (budget line A.)

All costs in Euro	P7 Alfamicro		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	30	284	8 520
2. Researchers	0	0	0
3. Teachers/trainers	0	0	0
4. Technical	0	0	0
5. Administrative	10	95	950
Total	40		9 470

Table 10. Staff costs for Partner 7 / Alfamicro (budget line A.)

All costs in Euro	P8 KTH		
	Total number of days	Cost per day (1)	Total staff cost
	(a)	(b)	(a * b)
1. Managers	20	358	7 160
2. Researchers	45	187	8 415
3. Teachers/trainers	88	272	23 936
4. Technical	4	222	888
5. Administrative	19	238	4 522
Total	176		44 291

Table 11. Staff costs for Partner 8 / KTH (budget line A.)

All costs in Euro	Total	P1 EML	P2 TUT	P3 TCEB	P4 BME	P5 IAL	P6 LMA	P7 Alfamicro	P8 KTH
Co-funding from Staff	68 832	10 995	13 028	4 485	10 054	8 418	5 373	4 346	11 934
LdV grant from Staff	113 329	16 931	19 552	2 025	18 778	14 927	2 914	5 124	32 987

Table 12. Financing sources for staff costs (budget line A.)

In the final report a final statement of costs must be presented. The maximum Community contribution towards Staff Costs (or the declared amount for Staff Costs, whichever is lowest) will only be paid in full where the project achieves its contractually agreed aim.

Partner has a right to decide how to divide the last 30 % from the grant:

- 1) partner will pay staff costs to the individual on the basis of submitted time sheets and it will be compensated in the end of the project or
- 2) partner will pay staff costs to the individual on the basis of submitted time sheets after returning the final 30 % from the grant.

Time sheet is a reporting document that contains following information about every person employed by a partner organisation or working regularly or recurrently for the project:

- a) project name;
- b) project No:
- c) organisation name;

- d) name of the employee;
- e) staff category (ISCO);
- f) cost per day;
- g) project acronym;
- h) partner (No and name);
- i) project number;
- j) month;
- k) dates;
- l) day worked;
- m) No of WP;
- n) place of performance;
- o) activity/remarks;
- p) amounts paid from grant, from co-funding and total amount;
- q) date and signature of the employee;
- r) date and signature of the legal representative.

Time sheets of every month are required to submit quarterly!

The reporting form for staff costs is following:

Date (mm.yyyy)	Name of the employee	Staff category (ISCO)	Total number of days	Cost per day	Number of WP	Co-funding (in euro)	Grant from Leonardo (in euro)	Taxes co- funding (in euro)	Taxes from Leonardo (in euro)	Total staff costs
(mm.yyyy)										
.....										
Total mm yyyy										0
(mm.yyyy)										
.....										
Total mm yyyy										0
Total staff costs										0

Table 13. Reporting form for staff costs

*** Please see Annex 3. Time sheet**

*** Please see also chapter III.2.2 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.3. Estimated expenditures by type of costs and partner (Budget Line B.)

4.3.1. Travelling (Budget Line B.1.)

TRAVEL COSTS = fixed daily subsistence rate (accommodation, hotel + meal costs or daily allowance + local transport) + **international transport**

a) Subsistence Costs (accommodation costs, meal costs or daily allowance, local travel costs)

Subsistence costs may be financed by the project, provided:

1. They are reasonable in the light of local prices;
2. They are calculated in accordance with the existing internal rules of the Beneficiary or Partner organisations, which may be on an actual cost (reimbursement of receipts) or daily allowance basis.
3. Subsistence Costs may not, however, exceed **the maximum daily rate for the country being visited as detailed within Chart 15 – INNOMET II meetings 2005-2007 and maximum daily subsistence rates.**

Evidence of the applied payment system (documentation evidencing amounts reimbursed or evidence of payment of daily rates to an individual) should be readily available.

Daily Subsistence Rate includes:

- accommodation costs;
- actual meal costs proved with invoices OR daily allowance paid to individual according to the national rate;
- local travel costs (if appears).

Daily allowance is a fixed daily allowance in concrete country paid to individual according to the national rate. In countries where daily allowance is not paid, actual meal costs will be taken into consideration for business travels. Actual meal costs should be proved with invoices.

It means that partners should follow the rules of their countries trying not to exceed Leonardo daily subsistence rates at the same time. It is because Leonardo grant covers only the costs which do not exceed the daily subsistence rates. If daily allowance exceeds daily subsistence rate of Leonardo then Leonardo grant does not cover the difference. There is a danger to exceed the Leonardo daily subsistence rates, e.g. the accommodation is too expensive. So it would be very useful if the hosting country suggests accommodation with a reasonable price before the meeting takes place.

In calculating the number of days for applying the daily subsistence rate it should be noted that a FULL day normally includes an overnight stay (the National Agency or the Commission may consider an exception to this rule whereby a full day's subsistence is allowed without an overnight stay, according to the internal rules of the Contractor or Partner organisations, where this is the case the Contractor will need to provide a full explanation).

Very simple formula for calculating the number of days for daily subsistence rate:

nights + 0.5 days

Example: Meeting in Riga from the 13th till 14th of October. You arrived on the 12th of October and stayed in the hotel for 2 nights (12th and 13th of October). You left Riga on the 14th of October.

In this case you can calculate **2 nights + 0.5 days = 2.5 days** for daily subsistence rate. The maximum daily subsistence rate is **174 Euros * 2.5 days = 435 Euros per person**.

NB! Planned as maximum day rates but must be supported with invoices afterwards!

b) International transport

Allowable Travel Costs under the Agreement will be the real Travel Costs. It is required to use the cheapest means of travel, and Partners will thus have to make every effort to use Apex tickets for air travel and take advantage of reduced fares. Where this is not the case a full explanation should be provided.

Travel Costs should include all costs for travel (rail, bus, taxi, air) from the point of origin to the point of destination and should further include any related travel insurance costs.

There can be several interpretations for international and local transport.

According to the Leonardo rules the international transport contains travelling from the origin place to the meeting place (for example from the home to the airport by taxi, to the airport of the destination place by plane and from there to the hotel by taxi – all this together is an international transport).

The local transport is a driving by taxi in the city the INNOMET meeting takes place, for example taking taxi for driving from the hotel to the meeting place.

NB! It is very important to attach the copies of the boarding passes to the invoices!

Please see the Table 14 “Travelling (budget line B.1).

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
B.1. Travelling	74 705	15 841	10 352	11 473	10 476	9 097	6 485	924	10 056

Table 14. Travelling (budget line B.1.)

	Meetings planned	Time	Max daily subsistence rate per day
1.	Latvia, Riga (first)	October 2005	174
2.	Sweden, Stockholm (2 nd)	January-February 2006	157
3.	Estonia, Tallinn (trans-national meeting in the frame of DAAAM 2006)	April 2006	129
4.	Italy, Piemonte (4 th)	June 2006	130
5.	Portugal (5 th)	September-October 2006	143
6.	Hungary (6 th)	February 2007	136

Table 15. INNOMET II meetings 2005-2007 and maximum daily subsistence rates

Travelling costs per Partner are specified as follows:

P1 EML subsistence cost

Destination	Daily subsistence rate per day per person	Number of persons	Total number of days	Total cost of Partner 1
Latvia	174	3	12	2088 (3 persons * 4 days)
Sweden	157	2	8	1256 (2 persons * 4 days)
Estonia	129	0	0	0
Italy	130	3	15	1950 (3 persons * 5 days)
Portugal	143	3	15	2145 (3 persons * 5 days)
Hungary	136	2	10	1360 (2 persons * 5 days)
Total				8799

P1 EML international transport

Destination	Number of persons	Cost per person from Estonia	Total international transport cost
Latvia	3	150	450
Sweden	2	273	545
Estonia	0	0	0
Italy	3	500	1500
Portugal	3	500	1500
Hungary	2	383	767
Local travel in Estonia	2	1 140	2280
Total			7 042

Total travel costs for Partner 1 / EML: 15 841 Euros

P2 TUT subsistence cost

Destination	Daily subsistence rate per day per person	Number of persons	Total number of days	Total cost of Partner 2
Latvia	174	2	8	1 392 (2 persons * 4 days)
Sweden	157	2	8	1 256 (2 persons * 4 days)
Estonia	129	0	0	0
Italy	130	2	10	1 300 (2 persons * 5 days)
Portugal	143	2	10	1 430 (2 persons * 5 days)
Hungary	136	2	10	1 360 (2 persons * 5 days)
Total				6 738

P2 TUT international transport

Destination	Number of persons	Cost per person from Estonia	Total international transport cost
Latvia	2	150	300
Sweden	2	273	546
Estonia	0	0	0
Italy	2	500	1000
Portugal	2	500	1000
Hungary	2	383	767
Total			3 613

Total travel costs for Partner 2 / TUT: 10 351 Euros**P3 TCEB subsistence cost**

Destination	Daily subsistence rate per day per person	Number of persons	Total number of days	Total cost of Partner 3
Latvia	174	2	8	1 392 (2 persons * 4 days)
Sweden	157	2	8	1 256 (2 persons * 4 days)
Estonia	129	0	0	0
Italy	130	2	10	1 300 (2 persons * 5 days)
Portugal	143	2	10	1 430 (2 persons * 5 days)
Hungary	136	2	10	1 360 (2 persons * 5 days)
Total				6 738

P3 TCEB international transport

Destination	Number of persons	Cost per person from Estonia	Total international transport cost
Latvia	2	150	300
Sweden	2	273	546
Estonia	0	0	0
Italy	2	500	1000
Portugal	2	500	1000
Hungary	2	383	767
Local travel in Estonia	1	1 122	1 122
Total			4 735

Total travel costs for Partner 3 / TCEB: 11 473 Euros**P4 BME subsistence cost**

Destination	Daily subsistence rate per day per person	Number of persons	Total number of days	Total cost of Partner 4
Latvia	174	1	4	696
Sweden	157	1	4	628
Estonia	129	1	4	516
Italy	130	1	5	650
Portugal	143	1	5	715
Hungary	136	0	0	0
Total				3 205

P4 BME international transport

Destination	Number of persons	Cost per person from Estonia	Total international transport cost
Latvia	1	460	460
Sweden	1	420	420
Estonia	1	460	460
Italy	1	400	400
Portugal	1	400	400
Hungary	1	0	0
Local travel in Hungary	5	5 131	5 131
Total			7 271

Total travel costs for Partner 4 / BME: 10 476 Euros

P5 IAL subsistence cost

Destination	Daily subsistence rate per day per person	Number of persons	Total number of days	Total cost of Partner 5
Latvia	174	2	8	1 392
Sweden	157	1	4	628
Estonia	129	2	8	1 032
Italy	130	0	0	0
Portugal	143	1	5	715
Hungary	136	1	5	680
Total				4 447

P5 IAL international transport

Destination	Daily subsistence rate per day per person	Cost per person (airplane) from Italy	Total transport cost
Latvia	2	400	800
Sweden	1	400	400
Estonia	2	400	800
Italy	0	0	0
Portugal	1	350	350
Hungary	1	300	300
Local travel in Italy	4	500	2 000
Total			4 650

Total travel costs for Partner 5 / IAL: 9 097 Euros

P6 LMA subsistence cost

Destination	Daily subsistence rate per day per person	Number of people	Total number of days	Total cost of Partner 6
Latvia	174			
Sweden	157	1	4	628
Estonia	129	3	12	1 548
Italy	130	1	4	520
Portugal	143	1	4	572
Hungary	136	1	4	544
Total				3 812

P6 LMA international transport

Destination	No. of persons	Cost per person (airplane) from Latvia	Total transport cost
Latvia			
Sweden	1	288	288
Estonia	3	150	450
Italy	1	500	500
Portugal	1	500	500
Hungary	1	335	335
Local travel in Latvia	2	300	600
Total			2 673

Total travel costs for Partner 6 / LMA: 6 485 Euros**P7 Alfamicro subsistence cost**

Destination	Daily subsistence rate per day per person	Number of people	Total number of days	Total cost of Partner 7
Latvia	174	1	2	348
Sweden	157	0	0	0
Estonia	129	0	0	0
Italy	130	0	0	0
Portugal				
Hungary	136	0	0	0
Total				348

P7 Alfamicro international transport

Destination	No. of persons	Cost per person (airplane) from Portugal	Total transport cost
Latvia	1	576	576
Sweden	0	600	0
Estonia	0	600	0
Italy	0	500	0
Portugal			

Hungary	0	600	0
Total			576

Total travel costs for Partner 7 / Alfamicro: 924 Euros

P8 KTH subsistence cost

Destination	Daily subsistence rate per day per person	Number of people	Total number of days	Total cost of Partner 8
Latvia	174	3	12	2 088
Sweden	157	0	0	0
Estonia	129	2	8	1 032
Italy	130	2	8	1 040
Portugal	143	3	12	1 716
Hungary	136	2	8	1 088
Total				6 964

P8 KTH international transport

Destination	No of persons	Cost per person (airplane)	Total transport cost
Latvia	3	250	750
Sweden	0		0
Estonia	2	250	500
Italy	2	321	642
Portugal	2	300	600
Hungary	2	300	600
Local travel in Sweden			
Total			3 092

Total travel cost for Partner 8 / KTH: 3 092 Euros

Please see the Table 16 “Reporting form the travelling costs”.

*** Please see also chapter III.2.3 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

N°	Partner	Name	Dates (including travel)		Duration (days)	Origin		Destination		Objective of the trip	Means of transport (+ type of fare)	Travel cost (Euro)	Subsistence costs (Euro)	Total Travel + Subsistence (Euro)	
			from (dd/mm/yyyy)	to (dd/mm/yyyy)		city	country code	city	Country code						
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8. ...															
TOTAL															

Table 16. Reporting form for travelling costs

4.3.2. ICT (Budget Line B.2)

ICT costs will normally include COMPUTER costs such as connection time, subscription to internet service providers, renting of web-space, purchase/hire of hardware and/or software, purchase of consumables (disks, CD-ROM, toner cartridges) and AUDIO-VISUAL COSTS such as purchase/hire of video projectors/beamers and audio or videoconferencing equipment, purchase of consumables (transparencies, cassettes, video cassettes), provided these costs are directly relevant to the project.

Please see the Table 17 “ICT costs (budget line B.2)

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
B.2. ICT	20 739	1 500	2 000	0	3 000	3 500	3 819	3 920	3 000

Table 17. ICT costs (budget line B.2)

Please use example for depreciation shown in chapter III.2.4 in Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts”.

Simple depreciation rule: price/36 * project remained duration in months

Example: If you buy computer in October 2005, the duration is 18 months
 If you buy computer in November 2005, the duration is 17 months
 Etc.

Any equipment purchased should normally be itemised in the Contractor or Partner organisation’s inventory list and bear an inventory number.

Please see the Tables 18a, 18b and 18c “Reporting forms for ICT costs”.

N°	Partner	Type of cost (please give full details)	Cost (Euro)	Purpose	Degree of use for the project (in %)	Total costs (Euro)
1.						
2.						
3.						
4.						
5....						
				sub-total		

Table 18a. Reporting form for ICT costs (connections, software and other computer and audio-visual costs (except for equipment))

b. Computer and audio-visual equipment purchased within the framework of the project.									
N ^o	Partner	Nature and specification	Purpose	Period of use for the project (in months)	Purchase cost (Euro)	Purchase date	Depreciation costs (Euro)	Degree of use for the project (in %)	Total cost (Euro)
1.									
2.									
3.									
4.									
5....									
							sub-total		

Table 18b. Reporting form for ICT costs (computer and audio-visual equipment purchased within the framework of the project)

c. Computer and audio-visual equipment hired or leased within the framework of the project							
N ^o	Partner	Nature and specification	Purpose	Duration of hire / lease (in months)	Monthly hire / lease cost (Euro)	Degree of use for the project (in %)	Total cost (Euro)
1.							
2.							
3.							
4.							
5....							
					sub-total		

Table 18c. Reporting form for ICT costs (computer and audio-visual equipment hired or leased within the framework of the project)

Sub-total sums of tables 18a, 18b and 18c makes total ICT (Information and Communication Technology expenses) (budget line B.2).

TOTAL	Information and Communication Technology expenses
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***Please see also chapter III.2.4 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.3.3. Production costs (Budget Line B.3)

These are costs related to the production of the contractually agreed products/results as stipulated in the project aims. This can include printing of marketing/publicity materials and/or publications; production of CD-ROM, purchase of product-related consumables (reams of paper for printing of publications, blank CD-RO, etc.) and even costs related to the production of a seminar or conference (where the seminar is a foreseen product/result and where task-related costs are easily identifiable).

Please see the Table 19 “Production costs” (budget line B.3).

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
B.3. Production, including publications of instructions and manuals + research material (book about INNOMET)	11 935	0	4 500	0	4 000	2 000	720	0	715

Table 19. Production costs (budget line B.3)

Production Costs are material costs made only for production of final product of the project.

Production Costs should not however include costs for human resources or support.

Staff costs are not allowed!

Please see the Table 20 “Reporting form for production costs”.

N°	Partner	Nature and Specification	Purpose	Unit cost (Euro)	Degree of use for the project (in %)	Total cost (Euro)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8....						
					TOTAL	

Table 20. Reporting form for productions costs

*** Please see also chapter III.2.5 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.3.4. Overheads (Budget Line B.4)

Overheads can include the following costs, provided they are specific to the project:

- daily communications (fax, telephone, mail, etc.);
- photocopying;
- office materials / stationery / office consumables;
- bank costs relating to the transfer of funds (this excludes account management costs).

The following expenditure **will not be accepted** in any event:

- expenditure on rent, heating, electricity, water or any other accommodation costs normally paid for by the Contractor or Partner organisations;
- structural costs with no obvious link to the project;

- office equipment or furniture.

Please see the Table 21 “Overheads (budget line B.4.)

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
B.4. Overheads (up to 7% of your costs). NB! Co-funding!	24 295	3 904	4 616	1 585	3 548	2 916	1 899	1 616	4 210

Table 21. Overheads (budget line B.4)

NB! A maximum amount of not more than **7% of the total project costs** will be allowed as overheads which will be provided for in full by the projects own funds or via local/national/regional contributions (to be specified during the contracting of the project). Community funds will provide 0% contribution under this heading.

*** Please see Annex 5. Reporting form of overheads**

*** Please see also chapter III.2.6 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.3.5. Other costs (Budget Line B.5)

Other costs are costs which do not fall into any other category of expenditure to be claimed under the Agreement, but which are however considered necessary to the proper performance of the tasks/activities as foreseen and contractually agreed.

Please see the Table 22 “Other Costs (budget line B.5).

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
B.5. Other: organising seminars (seminar room rent). NB! Catering not allowed for own staff!	19 561	0	2 000	0	4 405	4 356	2 200	5 100	1 500

Table 22. Other costs (budget line B.5)

Costs under this heading must therefore meet the following criteria:

- they must not be covered by any other budget heading;
- they must be necessary to the proper performance of the project;
- they must not involve any fundamental change in the scope and content of the project;
- they must be eligible under the Agreement;
- they must be clearly identifiable.

Please notice that Catering Costs are not allowed for INNOMET II Partners, only for third parties (e.g. Companies)!

Catering is allowed for OWN STAFF of Partners:

- 1) if it is under subcontracting costs with invoice “Seminar organization”;
- 2) from Travelling budget but participants must then reduce their daily allowances (pre-arrangement needed!);
- 3) from Other Costs budget only room rent.

Please see the Table 23 “Reporting form for other costs”

N°	Partner	Nature and Specification	Purpose	Unit cost (Euro)	Degree of use for the project (in %)	Total cost (Euro)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8....						
					TOTAL	

Table 23. Reporting form for other costs

*** Please see also chapter III.2.7 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4.4. Subcontracting costs (Budget Line C.)

Any amount paid to an external body or organisation carrying out a specific one-off task in connection with the project (e.g. translation, expert consultancy, interpretation, design and printing, conference/seminar organisation) must be charged against subcontracting costs.

Subcontracting costs in INNOMET II are following:

- 1) translation costs (budget line C.1);
- 2) marketing materials (design, printing) (budget line C.2);
- 3) software development (budget line C.3);
- 4) IT management and design (budget line C.4);
- 5) organising of international conference DAAAM/INNOMET 2006 (promoted by DAAAM network of conferences) (budget line C.5);
- 6) intellectual property legislation (consortium agreement, trademark legislation, IP policy, licensing) (budget line C.6);
- 7) expert consultancy from sector enterprises and open sector (budget line C.7);
- 8) accountancy (C.8).

Please see the Table 24 “Subcontracting costs (budget line C.)

All figures in Euro	Total	P1	P2	P3	P4	P5	P6	P7	P8
		EML	TUT	TCEB	BME	IAL	LMA	Alfamicro	KTH
C.1. Translation costs	7 250	1 000	2 000	1 648	0	0	800	1 802	0
C.2. Marketing materials (design, printing)	3 000	0	0	3 000	0	0	0	0	0
C.3. Software development	7 998	0	7 998	0	0	0	0	0	0
C.4. IT management and design	5 263	5 263	0	0	0	0	0	0	0
C.5. Organising of international conference DAAAM/INNOMET 2006 (promoted by DAAAM network of conferences)	1 000	0	1 000	0	0	0	0	0	0
C.6. Intellectual property legislation (consortium agreement, trademark legislation, IP policy, licensing)	750	0	750	0	0	0	0	0	0
C.7. Expert consultancy from sector enterprises and open sector	8 341	0	2 591	0	0	0	4 800	950	0
C.8. Accountancy	4 000	4 000	0	0	0	0	0	0	0
C. Total Subcontracting costs	37 602	10 263	14 339	4 648	0	0	5 600	2 752	0

Table 24. Subcontracting costs (budget line C.)

These costs are normally admissible only where staff within the member organisations of the project Partnership does not have the required skills.

Required documents for subcontracting: 3 offers, contract, invoice, payment order (or extract of account)

Please see the Table 25 “Reporting form for subcontracting costs”.

N°	Partner	Sub-contracted work	Sub-contracting contract		Sub-contracting cost
			Start date (dd/mm/yyyy)	End date (dd/mm/yyyy)	
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8....					
TOTAL					

Table 25. Reporting form for subcontracting costs

*** Please see also chapter III.2.8 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

5. CO-FUNDING

Total budget of the project is 370 707 Euros which is made up of two sources: Leonardo grant (74.93 % of total budget) and co-funding from partners (25.07 % of total budget).

Please see the Table 26 “Budget of INNOMET II by partners (Leonardo grant + co-funding)

Partner	Name of the organisation/institution in national language	Total	Requested from Leonardo	%	Co-funding	% of grant
P1	Eesti Masinatööstuse Liit (Federation of Estonian Engineering Industry) EML	59 434	44 535	25,07%	14 899	74,93%
P2	Tallinna Tehnikaülikool (Tallinn University of Technology) TUT	70 387	52 743	25,07%	17 644	74,93%
P3	Tallinna Ettevõtlusamet (Tallinn City Enterprise Board) TCEB	24 217	18 146	25,07%	6 071	74,93%
P4	Budapesti Műszaki és Gazdaságtudományi Egyetem (Budapest University of Technology and Economics) BME	54 261	40 659	25,07%	13 602	74,93%
P5	IAL Piemonte - Istituto Addestramento Lavoratori (Training institute for workers of Piemonte) IAL	45 214	33 880	25,07%	11 334	74,93%
P6	Mašīnbūves un Metalapstrādes Rūpniecības Uzņēmēju Asociācija (Association of Mechanical Engineering and Metalworking Industries of Latvia) LMA	29 010	21 738	25,07%	7 272	74,93%
P7	Alfamicro Lda (Portugal) Alfamicro	23 782	17 820	25,07%	5 962	74,93%
P8	KunglTekniska Högskolan (Royal Institute of Technology) KTH	64 402	48 258	25,07%	16 144	74,93%
TOTAL budget		370707	277 780		92 927	

Table 26. Budget of INNOMET II by Partners (Leonardo grant + co-funding)

NB! Co-funding in Leonardo is allowed only from covering staff costs and overheads. All the other costs will be covered from Leonardo grant.

Distribution of co-funding by partners is shown in the following chart (Table 27 “Distribution of co-funding by partners”).

	TOTAL	P1 EML	P2 TUT	P3 TCEB	P4 BME	P5 IAL	P6 LMA	P7 Alfamicro	P8 KTH
Co-funding (from STAFF)	68 632	10 995	13 028	4 485	10 054	8 418	5 373	4 346	11 934
LdV GRANT FROM STAFF	113 239	16 931	19 552	2 025	18 778	14 927	2 914	5 124	32 987
Rest of co-funding from overheads	24 295	3 904	4 616	1 585	3 548	2 916	1 899	1 616	4 210
TOTAL CO-FUNDING (= E2.4)	92 927	14 899	17 644	6 070	13 602	11 334	7 272	5 962	16 144

Table 27. Distribution of co-funding by partners

*** Please see also the agreements and Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

6. CONTRACTS AND AMENDMENTS

6.1. Contracts

Following contracts are signed for the INNOMET II project:

- 1) agreement between Leonardo and the Beneficiary (Tallinn University of Technology, TUT);
- 2) consortium agreement between **Partners**;
- 3) agreements between the Beneficiary and Partners.

Agreement between the Beneficiary and Partners includes the budget of the project and the “Financial Guideline for Leonardo da Vinci II Programme Project “INNOMET II – Integrated Human Resources Development and Monitoring System for Adding Innovation Capacity of Labour Force and Entrepreneurs of the Metal Engineering, machinery and Apparatus Sector”” as Annexes.

Agreement between Leonardo and The Beneficiary is legally binding!

6.2. Amendments

Where it is proposed to change budget headings (not overheads or staff costs) simultaneously by more than 10 % (of the total cost of an individual budget heading) and 5 000 Euros, and provided the total cost of the project (estimated and consolidated budget), the maximum Community contribution and the co-financing % remain unchanged, the following procedure must be followed:

The Beneficiary (here the Beneficiary TUT) must complete, sign and submit to the National Agency or the Commission a Contract Amendment request Form justifying the proposed changes and presenting a revised budget (the revised budget must respect the maximum ceilings for of 15 % for ICT and 30 % for sub-contracting) to include the following annexes:

- 1) the agreement of all project partners to the proposed budget changes;
- 2) where formal approval is given and a Supplementary Agreement is thus signed by both parties, the Beneficiary will be subsequently required to submit copies of amendments to the Agreement concluded between the Beneficiary and the project partners (a Model Agreement is provided as an annex to the Agreement).

*** Please see also chapter III.1 Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

7. FINANCIAL MANAGEMENT

7.1. General remarks

The project management must cover the whole of the budget and costs incurred. This requires that the Beneficiary sets up an accounting system that also includes Partners' expenses.

7.2. Bank account

Where possible, a separate Bank Account should be established for the project. Where this is not possible, then as a minimum all income/expenditure relating to the project must be easily able to be identified.

Costs relating to account management are ineligible; however bank costs relating to the transfer of funds (i.e. payments to Partners) are eligible under the budget for Overheads.

Any interest earned in relation to pre-financing paid to the project (either by the Contractor or by individual Partners) must be declared within the relevant table of the final financial report for eventual reimbursement to the National Agency or the Commission.

7.3. Accounting System/Internal Control

Contractors must set up an analytical system or an adequate internal system, which must make it possible to identify:

- The sources of project funding;
- Project expenditure incurred during the eligibility period

All transactions within the eligibility period, relation to actual expenditure/income under the project, must be recorded systematically using a numbering system which specifically identifies the project.

As far as possible, the persons responsible for managing the project should not be the same as those responsible for its financial management.

7.4. VAT, Customs Duties and Other Taxes on Goods and Services

Partners must ascertain from the competent national authorities the provisions, rules and legislation governing the taxation of training and related activities in their countries.

VAT cannot, in any case, be charge to the project unless it is a final charge, i.e. a charge that is not deductible and cannot be recovered by the Beneficiary or the Partners.

Like VAT, other types of taxation, duty or charges which may arise from Community financing are eligible costs if they are actually and finally borne by the parties concerned.

7.5. Exchange rates

All amounts given in the project reports must be expressed in Euro. In quarterly report please include also national currency equivalent.

Where Euro account is held, the Contractor and Partners must report expenditure at the amount(s) debited in Euro from their account.

Where accounts are held in national currency, then the Contractor and Partners should normally use the model shown in chapter III.3.5 in Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts”.

7.6. Payment Arrangements

All requests for payment of the balance shall accompany the Final Report and shall present a final breakdown of costs actually incurred according to the structure of the budget in addition to a complete summary statement of both expenditure and income relating to the project.

Payments arrangements and dates will be laid down in the Agreements.

However, for Beneficiary’ information and to allow them to plan their budgets, it can be indicated that payment transfers will be made as follow:

- for twelve or eighteen-month projects: 70% on signature of the Agreement and 30% on receipt and acceptance of the final report;
- for twenty-four, thirty or thirty-six month projects: 40% on signature of the Agreement, 30% on receipt and acceptance of the interim report and 30% on receipt and acceptance of the final report.

7.7. Registration and requirements for the invoices

In principle, all documents must be **original and dated**; documents from the Partners will be copies, the original being held by the Partner concerned.

An original invoice must include as follows:

1. Partner’s name, address and bank details;
2. Remitter’s name, address and bank details;
3. Invoice number;
4. Invoice date;
5. Due date;
6. Contents of description;
7. Amount;
8. Accountant name and signature.

On the back of every original invoice please write:

- project number;
- description of the content of the invoice in English (in case the invoice is presented in national languages).
- date;
- signature of the person responsible for the work

The supporting documents required for each type of cost in as follows:

1. Personal costs

Since personnel costs are covered by a lump sum, promoters will not be required to produce supporting documents.

2. Travel and subsistence costs

Travel costs will be reimbursed as follow:

for train travel: on the basis of original tickets;

for air travel: on the basis of original tickets and boarding passes;

for travel in a private vehicle: on the basis of a statement from the rail company or airline confirming the train or air fare for the journey;

for travel in a hired vehicle: on the basis of the invoice;

- for taxi journeys; on the basis of the receipt and an expense form (or equivalent)

Subsistence costs, including accommodation and meals, will be reimbursed on a lump-sum basis and may exceed neither the daily rate per person applied by the organisation to which the person travelling belongs nor the maximum daily rate per person.

* **Please see also chapter III.2.3 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

4. Costs in connection with computer and audio-visual equipment.

Invoices must be available.

5. Production costs

Invoices must be available.

6. Overheads

Since overheads are covered by a lump sum which may amount to 7% of the total estimated project cost (which is thus fixed at the time of the tender and cannot change in the course of the project), no supporting documents need be produced.

7. Other costs

Only actual costs as shown on the corresponding invoices can be charged to the project.

8. Subcontracting costs

If Partners use the services of a subcontractor, they must be able to produce the agreement concluded with the latter, the invoice(s) paid and any other supporting document connected with the subcontracting costs set out in the report. The Commission reserves the right not to accept all or part of such expenses if they do not satisfy the eligibility requirements set out in the Agreement.

Proforma invoices will not be accepted, except for expenditure committed and not yet paid, in which case the Partner will have to provide proof of payment at a later date. For payments which have already been made, only final invoices will be accepted and the Beneficiary will have to be able to supply bank statements or other proof of payment.

7.8. Auditing

As set out in the Agreement, an operational and/or financial audit can be carried out on the spot by the National Agency, the Commission or the Court of Auditors of the European Union. In such cases, Partners will be notified that an inspection visit is to be made.

The purpose of these audits is twofold: Firstly, to **check** that the project's financial reports presented for payment are consistent with the Partner's basic accounts and to ensure that Community funds have been spent in accordance with the Agreement and its annexes, that the aims of the projects have been achieved and that the products/results have been generated.

Secondly, audits provide a good opportunity for contact and **dialogue** between the auditors and the Partner. If any management problems are found, the auditors will work with the Partner to seek a solution and, if necessary, improve existing internal procedures in order to make the best possible use of Community funds. The auditors will be open to any comments and/or suggestions that to Beneficiary and the Partners may wish to make.

The main evaluation criterion is **transparency**, rather than strict compliance with contract rules. It is essential for the auditors to have access to full, accurate and properly documented information.

Lastly, **the audit will cover the use of funds from all sources.**

An audit certificate may be presented in national language. The auditors must attach a certified translation in English (in case the invoice is presented in national languages).

The audit certification must be signed (signature and stamp) and dated by external auditor (or competent public officer).

Auditing is not compulsory to the Partners.

*** Please see also chapters III.3 and V.2 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

8. REPORTING

As the quarterly and final reports are the main evaluation tools, they must provide as true a picture of the project as possible. Partners are therefore advised to read the report forms carefully, so that they are familiar with the content and aware of the financial and accounting information required for their completion.

In each report, **the various financial tables form a coherent whole: the figures must therefore be consistent.** Before submitting the report, the Partner must check that the entries satisfy this requirement.

The amounts given within the Report Forms must be expressed in EUR (in Quarterly Report also in national currency) and rounded to the nearest whole number. Before submitting the reports, the Beneficiary must also check that the totals and sub-totals given are arithmetically correct.

Since the purpose of the final report is to allow an **overall** evaluation of the project, **all contracted project activities** must be completed before the Final Report is submitted.

All the project partners have to submit quarterly reports to the Beneficiary in January, April, July and October 2006 and in January 2007.

The requirement of quarterly report proceeds from the consortium agreement with the purpose of facilitating the compilation of final report and monitoring the budget allocation.

Formal requirements for acceptance of reports.

For a report form to be accepted and evaluated, the following formal requirements must be satisfied:

1. The **original** of the form must be sent.
2. The form must bear **the original signature of the representative legally entitled to sign¹** of the contracting organisation. The representative's name and position/title in the contracting organisation must be given below the signature, which must be accompanied by the organisation's official stamp.
3. The form must be returned in full (i.e. all its pages), duly completed and signed at the appropriate place.
4. The financial report must be correctly completed according to the model.
5. The following documents must be attached to the form:
 - Copies of the contracts concluded with the project Partners. The Beneficiary must number these using the serial number allocated to each in the financial report.
 - Copies of any subcontracting agreements.
 - Copies of all invoices relating to subcontracting costs.

If the report does not meet the above criteria, the National Agency² may not evaluate it until its formal presentation is correct.

¹ The representative legally entitled to sign means the person authorised to enter into legal and financial commitments on behalf of the organisation to which he belongs.

² The Commission for activities covered by procedures C: reference material, thematic actions, joint actions and projects of European organisations.

*** Please see also chapter IV.2 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

8.1. Quarterly report

The general purpose of the quarterly report is to facilitate the compilation of the final report. Quarterly report is based on a cash-basis accounting i.e. it records only transactions in which cash is received or paid.

Quarterly report must be submitted five times (in January, April, July, October 2006 and in January 2007) during the period of the project by each partner.

Quarterly report must be sent by e-mail and submitted signed to the Beneficiary (Tallinn University of Technology) 20 days after the end of the quarter the latest.

Reporting form of the quarterly report consists of the lists of all expenditures.

Staff costs consist of salaries/wages (based on the time sheet) plus compulsory taxes, which include social security tax, unemployment tax and pension tax. Employee salaries/wages and compulsory taxes must be written on the separate rows. The time sheet must contain monthly staff costs by each person separately.

Travelling costs include travel and subsistence costs.

ICT costs consist of connections, software and other computer and audio-visual costs (except for equipment); computer and audio-visual equipment purchased within the framework of the project; computer and audio-visual equipment hired or leased within the framework of the project).

Also production, other and sub-contracting costs will be reported.

The quarterly report does not include overhead costs separately by each partner.

Quarterly report consists of the following annexes:

1. Timesheets – to be completed by each person every month;
2. Reporting form for the staff costs;
3. Reporting form for the travelling costs – to be completed by each person, requires person’s name, travelling date, destination, objective of the trip, means of transport, travel cost, subsistence costs and total travel cost + subsistence costs;
4. Reporting form for the ICT costs;
5. Reporting form for the production costs;
6. Reporting form for the other costs;
7. Reporting form for the subcontracting costs;
8. Reporting form for the expenditures by the type of cost - it consists of budget, grant from Leonardo, co-funding, total eligible costs and balance at the end of the quarter;
9. Copies of the original invoices: the copies must be numbered in the same order as in the quarterly report (e.g. Travelling B.1, etc.). For additional conditions please see chapter 7.8.
10. Payment orders (if partner does not have a separate bank account) or bank statement which shows its beginning and ending balances and listing the periods’ transactions.

Quarterly report is required to submit after every quarter by the 20th date of the next month:

- 1) 1st quarterly (activities in October, November, December 2005) report has to be submitted by the 20th of January 2006;

- 2) 2nd quarterly (activities in January, February, March 2006) report has to be submitted by the 20th of April 2006;
- 3) 3rd quarterly (activities in April, May, June 2006) report has to be submitted by the 20th of July;
- 4) 4th quarterly (activities in July, August, September 2006) report has to be submitted by the 20th of the October 2006;
- 5) 5th quarterly report (activities in October, November, December 2006) report has to be submitted by the 20th of the January 2007;

If the Partner has not submitted the quarterly report by the deadline, the Beneficiary has the right to call in the *forfeiture/penal fine* from the Partner as fixed in the agreement.

*** Please see the agreements and Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

8.2. Final report

The final report consists of a balance sheet reporting expenditure over the entire project duration.

Final report is accrual-basis accounting i.e. accounting that recognizes (records) the impact of a business event as it occurs, whether or not cash has been received or paid. After accepting the costs of the last quarter of the project the last 30% of total budget is received.

After compiling and submitting the quarterly reports the final report should be basically ready. Final report of each Partner must be sent by e-mail and submitted signed to Tallinn University of Technology by 30 days after the end of the contract the latest.

The analysis of the Final Report will include:

- appraisal of the quality of the results of the project (this analysis includes verification of the conformity of the activities carried out compared with the forecast activities at the time of contractualisation and an analysis of the quality of each of the products/individual results of the project);
- evaluation of the eligibility of declared expenditure and adherence to the budget of the project;
- verification of the transfer of the Leonardo da Vinci funds to the Partners, so as to make sure that no major reduction of the European dimension has occurred, that the minimum European dimension has been respected and that changes made did not have any negative impact on the overall quality of the project;
- verification of all the sources of financing of the project including the own resources of each Partner and other possible income;
- verification of the measures taken to assure the dissemination of the project results.

Partner has a right to decide how to divide the last 30 % from the grant:

- 1) partner will pay staff costs on the basis of submitted time sheets and it will be compensated by Leonardo grant in the end of the project or
- 2) partner will pay staff costs on the basis of submitted time sheets after returning the final 30 % from the Leonardo grant.

*** Please see also the agreements and chapter IV.2 of Leonardo da Vinci “Administrative and Financial Handbook for Promoters & Contracts” for further information.**

9. ANNEXES

Annex 1. Budget (separate file in Excel)

Annex 2. Work Packages



Leonardo da Vinci

I N N O M E T I I

Integrated human resources development and monitoring system for adding innovation capacity of labour force and entrepreneurs of the metal engineering, machinery and apparatus sector

<i>Work package & and time-table</i>	<i>Responsible partner, involvement of other partners</i>	<i>Activities</i>	<i>Results and products</i>
WP1 Months 1-3	Lead partner – KTH Cooperation with EML, BUTE, TUT	<ul style="list-style-type: none"> ➤ INNOMET ontology of terms and definitions for INNOMET competence management ➤ development of definitions and common understandings for European comparability) 	<ul style="list-style-type: none"> ➤ Structure of defined terms and keyword in the INNOMET competence management and evaluation system integrated to INNOMET system.
WP 2 Months 3-6	EML lead role, Cooperation with all partners	<ul style="list-style-type: none"> ➤ INNOMET evaluation methodology (so called “expert tool” with user manual) ➤ System development ➤ User manual ➤ INNOMET strategy for 2005-2010 	<ul style="list-style-type: none"> ➤ Methodology developed how to evaluate and compare skills and qualifications in the frame of INNOMET ➤ Methodology paper, report. ➤ User manual ➤ System development.
WP 3 Months 5-8	IAL lead role Cooperation with other partners	<ul style="list-style-type: none"> ➤ Comparative analysis of the WP2 results will be carried out by the IAL Piemonte (Italy) – vis-avis the evaluation methodologies in Southern Europe – focusing mainly on the practices in France and Italy 	<ul style="list-style-type: none"> ➤ Comparative analysis (report)
WP 4 Months 7-10	TUT lead role, cooperation with KTH	<ul style="list-style-type: none"> ➤ Development of the INNOMET system in the field of engineering professions (definition of skills, structure 	<ul style="list-style-type: none"> ➤ Engineering levels developed in the INNOMET system ➤ 2 sample re-training courses developed

		<p>qualifications, training needs)</p> <ul style="list-style-type: none"> ➤ Sample 2 re-training courses developed in the field of engineering based on industry needs for KTH and TUT 	
WP 5 Months 7-13 in phases	Lead partner BUTE in cooperation with all partners – transfer of INNOMET to Latvia and Portugal	<p>Testing of the INNOMET system in different phases based on testing plan (please see the description of the work package in detail). Testing composes of 2 phases:</p> <ul style="list-style-type: none"> ➤ Testing with original INNOMET partners from INNOMET I (2003-2004) and ➤ Transfer of INNOMET to Latvia and Portugal 	<ul style="list-style-type: none"> ➤ Testing report
WP 6 Months 14-17	EML lead role – cooperation with all partners	<ul style="list-style-type: none"> ➤ System development based on testing results ➤ Further development of the <i>User interface</i> ➤ Further development of the public user's functions and usability. 	<ul style="list-style-type: none"> ➤ System further developed based on testing results
WP 7 Months 1-18	All partners Coordinated by TCEB	<p>Dissemination and valorisation of results and products:</p> <ul style="list-style-type: none"> -Dissemination of results in each project phase (local partners, companies, associations and education institutions) - Presentations of INNOMET to local partners and other linked organisations of the sector 	<ul style="list-style-type: none"> - Articles in press - National seminars held by each partner - Trans-national seminar held in Tallinn in April 2006
WP 8 Months 1-18	EML	<p>Evaluation and quality management (EML) Estimation of possibilities to enlarge the elaborated model for other industry sectors (TCEB)</p>	Efficient management
WP 9 Months 1-18	EML, TTU???	<p>Project management, financial management and coordination (EML is responsible for project management and coordination).</p>	Efficient financial management and control, information management, coordination between partners

Annex 3. Time Sheet

Project name: INNOMET II - Integrated human resources development and monitoring system for adding innovation capacity of labour force and entrepreneurs of the metal engineering, machinery and apparatus sector
 Project No: **EE/05/B/F/PP-169001**
 Organisation:



Leonardo da Vinci

TIME SHEET

Name of the employee:

Staff category (ISCO):

Cost per day:

Project Acronym:

Partner (No and name):

Project Number:

Month:

<i>Date</i>	<i>Day worked</i>	<i>No of WP</i>	<i>Place of Performance</i>	<i>Activity/Remarks</i>
01	1			
02	1/2 (4h)			
03	1/4 (2h)			For example: Preparation and organisation of the meeting, seminar/ preparation of WP1 report/ analysis of WP1 report/ round-table discussion with target group/ etc
04				
05				
06				
07				
08				
09				
10				
11				
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15				
16				
17				
18				

19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
Total	days			

Total amount paid from Leonardo grant	
Total amount paid from co-funding	
Total amount	

Date and Signature of the Employee:

Date and Signature of the Legal Representative:

Annex 4. Reporting form of overheads



Education and Culture

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I N N O M E T I I

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OVERHEAD COSTS

Rules and sample table of reporting

Overheads can include the following costs, provided that they are specific to the project:

- **Daily communications (telephone, fax, mail, internet);**
- **Photocopying;**
- **Office materials, stationary, office consumables;**
- **Bank costs related to the transfer of funds (excluding account management costs);**
- **Money transfer costs made by Promoter (TUT).**

Following **will not be accepted** according the Leonardo rules:

- Expenditure on rent, heating, electricity, water or any other accommodation costs; normally paid by the contractor or partner organizations;
- Structural costs with no link to the project;
- Office equipment or furniture.

REPORTING FORM FOR INNOMET II

	TOTAL costs of the Partner in EUR				INNOMET (%)*
	2005	2006	2007 Till March	TOTAL (2005 Oct-2007 March)	
1.					
2.					
3.					
4.					
5.					
6.					
TOTAL					

***Cannot exceed Partner's budget of INNOMET**

Annex 5. Reporting form of quarterly report (separate file in Excel)