

Guidelines for the Budget and Financial Report for Academic, Advanced Academic and Extended Impact Partnership

The financial report and the final financial report consist of the following documents:

- External audit report(s) (see ToR, template for audit report and engagement letter)
- Confirmation of the financial report (see form)
- Summary of expenses including the financial statement (detailed cost break down) of each institution (in excel)

Information and templates are available on the APPEAR website.

The part of the financial report covering the costs of the Austrian partner institution(s) has to be audited by external auditors based in Austria.

The local office of the Austrian Development Agency (ADA) can be consulted for recommendations on potential audit firms. The actual engagement of the auditor is the responsibility of the respective project coordinator/contact person of the institution whose expenditures are to be audited. In case of several partners in the eligible country/countries only one signatory body of one of the institutions should sign the contract with the auditor. The decision on a suitable auditor should be based on the best price ratio and the availability of an audit firm. The auditor in question must be a licensed firm of auditors.

1. General requirements for external audit reports – applicable to both, Austrian institutions and institutions in the partner countries

- The engagement letter (see template) must be signed with the external auditor.
- APPEAR Terms of Reference (ToR), the template for the Audit Report of Factual Findings and the present Guidelines have to be used by the auditor.
- All audit reports have to be audited by external auditors under recognition of the International Standard on Related Services (ISRS) 4400.
- Annual financial reports are required. The audit report(s) have to be available two months after the end of the respective reporting phase at the latest and have to be added to the annual/final narrative report.
- It must be evident from the bookkeeping records and from the audit of the accounts that the expenditures are covered by the revenues and thus be verified that there is no duplicate financing by external funding bodies. The audit report has to depict a clear description of cash flow of the project account, which shall be evidenced in the form of receipts as evidence of currency exchange and bank account statements.
- Only costs generated during the project period are considered as eligible. Costs incurred before the start and the end of the project not eligible. Only in the last year of implementation audit costs are exceptionally allowed to be paid after the project end but have to be included in the final financial report.

- The audit report has to be structured according to the budget categories and the respective budget items within the categories outlined in the budget sheet of the application form (staff costs, travel and subsistence, equipment and material, dissemination, and other costs).
- If bookkeeping and the audit report are not satisfactory, OeAD may demand presentation of original receipts at any time.
- Stated liabilities in the audit will not be accepted.
- The final instalment (5% of the budgeted costs) will only be paid after the approval of the final report. Therefore, it might be necessary for the participating institutions to pre-finance some of the expenses in the final year.
- In case the entire budget is not used up by the end of the project, the remaining amount has to be refunded to the OeAD.
- A draft of the audit report has to be sent to the APPEAR Office via email. After assessment of the draft, the APPEAR Office will inform the respective institution if a revision is needed. Only after confirmation of the APPEAR Office, the audit report can be finalized.
- The audit report has to be bound and pages need to be numbered. The audit report with original signatures on every page has to be submitted in hardcopy to the APPEAR Office.

2. General provisions for invoices and documents – applicable to both, Austrian institutions and institutions in the partner countries

Documents submitted to an external audit firm have to take the following points into account:

- All expenses have to be supported by invoices.
- All invoices have to be numbered and assigned to the respective budget lines in the financial statement (detailed cost breakdown).
- All invoices have to be issued either in German or in English. If this is not possible a translation of the invoice's content has to be provided.
- An invoice absolutely has to contain the following:
 - Name and address of the issuer of the invoice (bill)
 - Place and date of issue
 - Invoice number
 - Exact specification of the object purchased or of the service
 - Currency, amount, and tax, if any
 - VAT number
 - Balancing endorsement (= endorsement confirming that the bill has been duly paid; this can also be proved by submission of a confirmation of the money transfer / statement of account).
- Foreign currency: You have to show a currency exchange confirmation which presents the exchange rate. This exchange rate (with the date of the currency exchange confirmation or receipt on your bank account) has to be applied to the respective expenses.
 - Eligible receipts for the exchange rate are:

- Currency exchange receipt
 - Credit card statement
 - Bank statement
 - Online currency converter such as OANDA, EZB, etc. will not be accepted.
 - If such a currency exchange confirmation or bank receipt is missing, the invoice amount shall be converted at the exchange rate defined by the Austrian Ministry of Finance for the respective foreign currency for the month in which the expenditure was made, minus a 25% deduction.
- VAT shall not be covered unless the institution can show that according to national legislation the recovering of VAT is not possible.

3. Budget reallocation

Transfers between the different budget categories are accepted to a maximum of 10% of the amount under the condition that the total budget of the project is not exceeded.

Planned changes in the budget have to be communicated by the project coordinating institution to the APPEAR Office in advance:

- If new budget lines are added to the budget, staff changes, etc.
- In case the planned reallocation requires an amount higher than 10%

The project coordinator has to apply officially for a budget reallocation. It is required to send the budget reallocation form and an updated budget (see [form](#) on website).

4. Budget categories

4.1. Staff costs

Staff costs are eligible for performing administrative and academic tasks which are directly necessary to the achievement of the project.

If additional, time-bound and very specific expertise is needed and e.g. experts, facilitators, workshop trainers, consultants, etc. are hired for temporary project-related work they have to be added to either the budget categories dissemination costs or other costs, depending on the nature of the assignment and the categorization in the budget.

Please note the following:

- Staff costs have to be based on local rates.
- Please specify staff cost for each institution and for each staff member in the project separately, based on local and daily rates and the actual working days required for the project.
- If applicable, please include all salary related costs, such as tax, health insurance, employer's share of contribution to taxes.
- In the framework of the annual reports a work verification for each staff member needs to be presented.

- Staff costs need to be presented separately for each staff member in the financial report (including the working days for the specific reporting period, the daily rate for each of the staff members and the function in the project).

Supporting documents which have to be shown:

- Payslips (if available) and work verification for each staff member need to be presented. The work verification needs to be issued separately for each staff member by the responsible institution. It needs to be signed by the representative of the institute and the staff member and has to contain the following information:
 - project number and name
 - name of staff member
 - item/content of work done
 - working days
 - daily rate
 - amount due
 - signature of the staff member and the responsible person at the institution.

A [template](#) for the work verification is available on the APPEAR website.

4.2. Travel and subsistence costs

Only staff members of the project are eligible for refund of travel and subsistence costs for project specific travel. In all cases travel and subsistence costs will be calculated based on the guidelines of the 'Austrian Reisegebührenvorschrift (RGV)', the Austrian Regulation for Travel Expense Reimbursement. These can be found on the APPEAR website. The use of the columns (1, 2a, 2b, 3) depends on how the members of the institutions are categorised but must not exceed category 2b.

Please note the following:

- Travel and subsistence include international and in-country travel costs.
- Cost efficiency for travels is required, e.g. economy class for flight and train tickets.
- Purpose, date / duration of travel and numbers of days need to be presented.
- Costs and number of flights, accommodation, subsistence rates and related travel expenses such as insurance and visa need to be presented have to be specified.
- Daily rates will be reduced by meals. If no daily rates are issued, meals will be refunded up to the amount of the daily rate.
- Expenses for project partners from the target country for travel insurance and visa when travelling to Austria are eligible, and vice versa.
- Expenses for first-aid kit for Austrian project partners may only include travel vaccination and malaria-prophylaxis.
- The use of a taxi instead of public transportation in Austria requires a written explanation.
- In case a motor vehicle is rented a [log-book](#) must be kept. This log-book must clearly show, in chronological order, the number of kilometres driven on official business, the date and

the purpose of the trip, the kilometre readings at the start and end, the name of the driver as well as the amounts of fuelling.

4.2.1. Travel costs of institutions in target countries:

- The financial statement has to include the following information:
 - date
 - duration
 - name of project member
 - destination
 - summary of items, i.e. (flight ticket, visa, hotel for e.g. 5 nights, daily rates for e.g. 7 days)
- When travelling to Austria, daily rates as stated in the RGV have to be applied (see website and FAQ). Local rates as used by the respective institutions in the priority countries for travels to Austria cannot be accepted. For local and international travels the daily rates as stated in the RGV have to be used, up to category 2b.

4.2.2. Travel costs of Austrian partner institutions:

Supporting documents which have to be provided:

- Claim form (Dienstreiseabrechnung) for travelling expenses as issued by the higher education institution.
- All invoices mentioned in the form for travelling expenses e.g. flight ticket (including boarding passes), or any other ticket of transport (train tickets, vehicle logbook, etc.) and invoice, itinerary
- Vaccination costs, pharmacy costs for vaccines, malaria prophylaxis, etc.

4.3. Equipment and material costs

Eligible costs are equipment and material expenses, e.g. laboratory equipment and analyses and costs for teaching and educational material for the Non-Austrian partner institutions. Full justification must be given for its purchase and usage during the project period.

If case equipment is required for the Austrian partner institution, then it must be project specific and be handed over to the partner institution in the priority country at the end of the project. Receipt of the equipment has to be confirmed and signed by the coordinator in the priority country, in the framework of the final report.

Supporting documents which have to be shown:

- invoices for equipment and material, work contract and fee note for services, competitive bids, documentation of procurement process or services.

Eventual procedures and expenses for customs and tax payment have to be taken into account.

4.4. Dissemination costs

Costs related to printing and publishing (including in electronic form as well as web design and websites), cost for related services (proofreading and translation) and other forms of dissemination of the results (e.g. organisation of local workshops, conferences, dissemination events, etc.).

Costs for Open Access and open data publications have to be included as well in this budget category.

Supporting documents which have to be shown:

- invoices, for events: date, number of participants, headwords for expenses, i.e. venue rent, catering for e.g. 50 participants, printing costs of conference material. In case additional experts and / or staff has been hired their names, role and amount of salary has to be added as well.

4.5. Other costs

This section should only include costs which do not fall into the categories above, such as costs for monitoring, self-evaluation, further events that are not categorized as dissemination events such as project and stakeholder meetings, workshops, trainings, bank charges and the costs for annual audit report.

Supporting documents which have to be shown:

- invoices

Costs for CO₂ compensation have to be included in other costs of the Austrian partner institution.

The [carbon offsetting system](#) provided by the University of Natural Resources and Life Sciences, Vienna (BOKU) has to be used. Number of flights (including destinations) will be sent to the BOKU. BOKU calculates emissions and compensation payments and sends invoice to project partners. Compensation payment for all flights, also the ones from partners in the priority country is made through the Austrian partner institution.

Supporting documents which have to be shown:

- Invoices, including project name, period, amount of flights

4.6. Overhead costs

All partner institutions are entitled to overhead costs. Overhead costs are granted for general administration and support costs for internal services of the institutions, directly related to the project. The total expenses for overhead costs may not exceed 10% of the total project costs. The actual overhead costs are based on the approved expenses by OeAD and are calculated by OeAD within each reporting period. No supporting documentation is required.

5. Procurement of goods and services

The following procurement regulations apply to the procurement of goods and services. Services include hiring external firms or experts for specific activities, i.e. additional expertise not covered by the participating partner institutions. These might include support for studies, case-studies, elaboration of lectures and teaching material, consultancy, etc.

In case there is only one provider / offer for the specific items or services the project coordinator needs to inform the APPEAR Office in advance, illustrate the situation in written and await official confirmation prior to proceeding with the purchase or contracting the service.

For goods: the recipient shall prepare an inventory list of the goods procured with the grant funds (which are expressly or by their nature designated for the use of the recipient) and whose individual procurement price exceeds 400 euros or any lower amount which may apply under local law in respect of inventory requirements) and shall update the same on an ongoing basis.

5.1. Procurement of goods and services in target countries

Two offers shall be obtained for procurement having a (net) procurement price exceeding 1,000 euros and three offers for procurement values in excess of 7,000 euros. For direct awards above 20,000 euros the following requirements apply: Based on terms of reference, four offers must be obtained. The best bidder shall be identified by an independent evaluation commission applying objective criteria determined in advance. The best bidder shall be legally authorized, reliable and capable to perform the requested services. The entire process of direct awarding, including the selection of the best bidder, must be documented in writing. Where the procurement price exceeds 50,000 euros public invitations to tender must be issued corresponding to local public procurement law. The contract shall be awarded to the bidder offering the best value for money.

5.2. Procurement of goods and services in Austria

With an estimated contract value of 10,000 euros or more, evidence must be furnished that three comparison bids have been obtained. For direct contracting of more than 50,000 euros the following requirements apply: Based on the Terms of Reference, four comparison bids must be obtained. The selection of the best bidder must be undertaken by an independent evaluation committee, applying objective criteria defined in advance. The best bidder shall be legally authorized, reliable and capable to perform the requested services. The entire process of direct awarding, including selection of the best bidder, must be documented in writing. Where the procurement price exceeds 100,000 euros public invitations to tender must be issued corresponding to Austrian Federal Procurement Law or the EU Directives on Public Procurement. The contract shall be awarded to the bidder offering the best value for money.