

FINANCIAL WORKSHOP - EXERCISE 2

What to do in this exercise?

09 2016

1. The LP of an approved Interreg CE project intends to modify the budget in order to adapt it to the actual implementation situation. Planned modifications are presented in the table. Please analyse the intended budget changes and calculate the amount of increase and percentage.
2. Advise the LP on the applicable rules related to the budget modification and give the applicable thresholds. Indicate if the planned budget modifications are possible and if yes they are allowed without prior approval or the approval of the programme bodies is required.
3. Be ready to present the outcome of this exercise to the other groups.

*This case is not based on a real project and all data have been developed exclusively for this workshop.

FINACIAL WORKSHOP - EXERCISE 2

Budget modifications (*Restriction: The ERDF contribution to the project cannot be increased)

ELEMENTS TO BE CHANGED	ORIGINAL BUDGET AS IN AF	NEW BUDGET	INCREASE (AMOUNT; %)	APPLICATION OF BUDGET FLEXIBILITY/MAJOR BUDGET MODIFICATION	ALLOWED WITHOUT APPROVAL/APPROVAL BY PROGRAMME BODIES/NOT POSSIBLE
BL1 STAFF COSTS	350.000,00	378.000,00			
BL3 TRAVEL AND ACCOMMODATION COSTS (including 2.000,00 EUR for travel to conference in Belgium)	80.000,00	100.000,00			
BL4 EXTERNAL EXPERTISE AND SERVICES COSTS (budget change taking place in period 2)	460.000,00	575.000,00			
BL5 EQUIPMENT EXPENDITURE	50.000,00	65.000,00			
BL6 INFRASTRUCTURE AND WORKS EXPENDITURE (increase occurs for single investment with no investment specification)	14.000,00	16.000,00			
WP C	200.000,00	237.000,00			
WP T2	250.000,00	320.000,00			
LP	300.000,00	320.000,00			
PP5	100.000,00	125.000,00			

FINACIAL WORKSHOP - EXERCISE 2

Budget modifications (*Restriction: The ERDF contribution to the project cannot be increased)

ELEMENTS TO BE CHANGED	ORIGINAL BUDGET AS IN AF	NEW BUDGET	INCREASE (AMOUNT; %)	APPLICATION OF BUDGET FLEXIBILITY/MAJOR BUDGET MODIFICATION	ALLOWED WITHOUT APPROVAL/APPROVAL BY PROGRAMME BODIES/NOT POSSIBLE
BL1 STAFF COSTS	350.000,00	378.000,00	28.000,00 (8%)	Budget flexibility - increase by up to 20% or EUR 30.000,00	ALLOWED WITHOUT APPROVAL
BL3 TRAVEL AND ACCOMMODATION COSTS (including 2.000,00 EUR for travel to conference in Belgium)	80.000,00	100.000,00	20.000,00 (25%)	Budget flexibility - increase by up to EUR 30.000,00	ALLOWED WITHOUT APPROVAL Comment: Mission and amount of 2.000,00 EUR for travel to Brussels has to be authorized by the MA/JS in advance.
BL4 EXTERNAL EXPERTISE AND SERVICES COSTS (budget change taking place in period 2)	460.000,00	575.000,00	115.000,00 (25%)	Major budget modification - increase above 20% or EUR 30.000,00	NOT POSSIBLE Comment: not possible in period 2 since a major modification can only be requested after the project mid-term review. In this case only the budget flexibility rule (increase by up to 20% = 92.000,00 EUR) can be applied.
BL5 EQUIPMENT EXPENDITURE	50.000,00	65.000,00	15.000,00 (30%)	Budget flexibility - increase by up to 30.000,00 EUR	ALLOWED WITHOUT APPROVAL Comment: Only if no increase above EUR 15.000,00 occurs for single investment with no investment specification.
BL6 INFRASTRUCTURE AND WORKS EXPENDITURE (increase occurs for single investment with no investment specification)	14.000,00	16.000,00	2.000,00 (14,3%)	Major budget modification	APPROVAL BY PROGRAMME BODIES
WP C	200.000,00	237.000,00	37.000,00 (18,5%)	Budget flexibility - increase by up to 20%	ALLOWED WITHOUT APPROVAL
WP T2	250.000,00	320.000,00	70.000,00 (28%)	Major budget modification - increase above 20% or EUR 30.000,00	APPROVAL BY PROGRAMME BODIES
LP	300.000,00	320.000,00	20.000,00 (6,66%)	Budget flexibility - increase up to 10% or EUR 20.000,00	ALLOWED WITHOUT APPROVAL
PP5	100.000,00	125.000,00	25.000,00 (25%)	Major budget modification - increase above 10% or EUR 20.000,00	APPROVAL BY PROGRAMME BODIES