



# Capacity Building Financial Management

National Erasmus+ Office Israel  
[www.erasmusplus.org.il](http://www.erasmusplus.org.il)

# Financial Management

- Financial management
  - Rationale
  - Changes
  - General: Currency Exchange & Co-financing
  - External Financial Audit
- Tips

# Financial Management

- Financial management
  - Rationale
    - Changes
    - General: Currency Exchange & Co-financing
    - External Financial Audit
  - Tips

# Budget Rationale

- Your Budget is a **CONTRIBUTION**
- i.e.
  - Grant  $\neq$  Total Project Cost
  - Co-financing is needed to achieve project's outcomes
- 2 types of financial management
- 4 Budget Headings

Unit costs		Actual costs	
Travel Costs & Costs of Stay	Staff Costs Max 40% of the total budget	Equipment Max 30% of the total budget	Sub-Contracting Max 10% of the total budget

# Financial Management

- Financial management
  - Rationale
  - Changes
    - General: Currency Exchange & Co-financing
    - External Financial Audit
- Tips

# Budget Changes

- Activities conducted have to be **written** in the original approved work plan, have to be **relevant** to the achievement of objectives and **accrued during the eligibility period**.
- Transfers between budget headings **up to 10%** can be done without prior approval.
- Transfers between budget headings **above 10%** must be approved by the EACEA.
- Budget transfers are allowed for the entire project, not for each partner institution. These transfers have to be approved by the coordinator!

# Financial Management

- Financial management

- Rationale

- Changes

- General: Currency Exchange & Co-financing

- External Financial Audit

- Tips

# Currency Exchange



- Budget reporting is done in EURO and by the coordinator.
- Non-EURO expenses need to be exchanged using a fixed exchange rate.
- This is set by the Commission twice during the eligibility period.
  - The first – from the beginning of the eligibility period to the receipt of the second installment – is set by the [monthly exchange rate](#) of the month that the first installment was received by the coordinator.
  - The second – from the month the second installment was received until the end of the eligibility period - is set by the monthly exchange rate of the month that the second installment was received by the coordinator.



# Co-financing

- Grant ≠ Total Project Cost
- Co-financing is a must to achieve successful implementation
- You are not obligated to report on these expenses
- **Best Practice:** use a double book-keeping system to track actual costs including co-financing

# Budget Management

- Budget management
  - Rationale
  - Changes
  - General: Currency Exchange & Co-financing
  - External Financial Audit
- Reporting
- Tips

# External Financial Audit

- Obligatory
- Must be conducted by an external official accountant
- **Best Practice:** conduct a yearly audit

# Budget Management

- Budget management
  - Rationale
  - Changes
  - General: Currency Exchange & Co-financing
  - External Financial Audit
- Tips

# Tips for sound financial management

- Know the Guidelines for the Use of the Grant
- Keep your LFM close
- keep all supporting documents
- Conduct a double book-keeping system
- Conduct an yearly financial audit
- Communicate with your coordinator and us!



**Thank you!**

Dina Gallero [dinag@che.org.il](mailto:dinag@che.org.il)