

UKF Project Monitoring Guidelines

(RESEARCH COOPERABILITY PROGRAM)-My First Collaboration Grant

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General rules

The Administering Organization that receives a grant from the UKF shall follow generally accepted accounting principles in its accounting.

The Administering Organization must not divert UKF grant to finance other projects.

The Administering Organization has obligation to keep all project documents up to 1 year from the end of the project and made available to the UKF upon request.

The Administering Organization shall put in place proper arrangements to secure value for money policy.

The Administering Organization is obliged to comply with Croatian legislation for all matters concerning implementation of the UKF projects, except for procurement of goods and nonconsulting services and selection of consultants which are regulated by the document „Extract from the Second Science and Technology Project - Project operational manual: UKF - Procurement arrangements for sub-beneficiaries“, as available on official UKF website.

1. Communication

As we find communication an important part of our successful cooperation, we kindly ask to follow the below described instructions.

For all questions related to your project implementation, we strongly encourage you to use our email address ured@ukf.hr. You are always welcome to call us, but in addition you shall always make a written request by email. We will try to answer your questions as soon as possible.

All scanned reports with signatures shall be sent to the following e-mail address: ured@ukf.hr. Research/Technology reports and Financial reports which are required to be signed/stamped shall also be sent as **doc*/*xls** version. When sending the reports to the UKF, please use the option “Request a read receipt for this message”. The delivery receipt is the confirmation that your report has been submitted.

In order to ensure smooth communication and project implementation, all the information regarding your project implementation will be sent to Project Leader or to Co-leader, in case that Project Leader is not from Administering Organization. Project Leader or Co-leader is responsible for communicating with person from UKF Secretariat designated to monitor particular project and information distribution within project team, Administering Organization and Partner Organization. In case that Project Leader wishes to designate another person as a contact point it shall be done in written at the above stated email address.

2. Financial rules and Financial Report

The financial project report should be submitted after 8 and 15 months as referred in Articles 4.1, 4.2, 4.3 and 4.4 of the Grant Agreement.

Financial report is structured reporting format provided by the UKF Secretariat (UKF web) and completed by the Administering Organization and the Project Leader in order to provide detailed justification of the costs incurred during reporting period. The first financial report shall be submitted 8 months after project start as stipulated in Article 3.1 of the Grant Agreement. Supporting documents (such as invoices, bank statements, minutes of meetings and etc.) shall not be sent to the UKF if not specifically requested by the UKF.

Costs incurred shall be in accordance with the Financial plan attached to the Grant Agreement in the Annex I.

The financial reports Annex 1 and Annex 2 should be delivered for each reporting period and by all project beneficiaries. You should also provide Annex 3 which is salary cost calculation that applies only for co-workers from Partner organization(s) whose working time is used as matching fund. (Together with Annex 3 you should provide the Certificate of using human resources as matching funds (template provided) signed by the co-worker and the Project Leader or Co-leader which confirm the co-workers' engagement in the project for the given time period as already stated in Annex 3).

Please note when payment is made 71 % financing of gross amount is paid from the Special Account of the Loan No.8258-HR and 29 % of gross amount is paid from the Government Budget of the MSE.

In Annex 1 you will find template where you should provide detailed information on Resource Utilization in the reporting period (8 and 7 months respectively). You will find one MS Excel table that refers to the UKF funding and another MS Excel table that refers to contributions from other sources/matching funds. For both tables you are always requested to fill in type of cost and an amount, as well as source of funding for matching funds.

All costs listed in Financial report are for activities performed in the reporting period. For example, if you received the Financial contribution from the Partner organization, state only the amount that was actually spent in that reporting period.

In Annex 2 you should provide information on Resource utilization during overall implementation period and shall be updated every six months (resources used in previous periods shall be filled in too). Again there are two tables one for resources financed from the UKF and another for resources financed from other sources/matching funds.

In Annex 3 there is a template to calculate salary cost, i.e. working time cost for human resources, which are used as matching funds, for reporting period. First of all you shall calculate cost of working day (gross amount).

$$\text{Cost of working day (gross amount)} = \frac{\text{Yearly gross salary}}{\text{Number of working days in a year}}$$

Cost of your working day shall be calculated by dividing

the amount of your gross salary in a year with total number of your working days in a year (excluding holidays, sick leave, or other allowances). Then you should calculate number of days spent on project (shall be in accordance with matching funds stated in Grant Agreement-Annex 1) in reporting period and multiply it with cost of working day. Days and cost reported in Annex 3 shall be in accordance with the Certificate of using human resources as matching funds.

2.1. Direct costs

Direct costs are all those eligible costs financed from UKF that can be identified specifically with a particular project. These must be the actual costs incurred after the start date of the project and be directly connected with the project and used for the project goals.

The Administering Organization will undertake the **procurement of goods and non-consulting services and selection of consultants** according to the methods and procedures that are described in detail in the „Extract from the Second Science and Technology Project - Project operational manual: UKF - Procurement arrangements for sub-beneficiaries“(STPII POM - ANNEX 1 - Extract to POM - CSF Section update March_2015.pdf).

2.1.1. Durables

Supporting documents for “Durables” are invoices, bank statements, price quotations or ‘justifications’ for direct purchase where applicable. In case goods procured are subject to Public bidding method, the supporting documents also include bidding documentation and the contract.

2.1.2. Consumables

Supporting documents for “Consumables” are invoices and bank statements, also price quotations or ‘justifications’ for direct purchase, as well as bidding documentation and the contract in case consumables are procured through Public bidding method.

2.1.3. Other costs

Supporting documents for “Other costs” are invoices, bank statements, student contracts price quotations etc (depending on type of cost required).

Durables, Consumables and Other costs cannot exceed 80% of total budget approved from UKF.

2.1.4. Travel

Within the projects financed within “My First Collaboration” Grant only Project Leader, Co-leader and co-workers from the institution of the Co-leader (engaged in the project) may claim costs within this category.

Project leader can travel for the maximum period of 9 months and in addition, if the duration is more than 1 month he/she can only travel to Co-leader’s Partner organization.

For Co-leader and co-workers from his/her institution (engaged on the project) - travel to Croatia, up to 1 month, can be planned, with the purpose of transfer of knowledge, new methods and technologies.

Costs eligible under travel are accommodation costs, costs of transportation, per diems, conference fees, fellowships for scientific training and professional research and fieldwork. The Administering Organization shall keep accurate record of travel orders, fellowship documentation and invoices.

a) Travel expenses of researchers travelling abroad/or to Croatia up to 1 month

When travelling abroad the amount of per diem paid from the UKF funding shall be in accordance with per diems of beneficiaries financed from the State budget when travelling abroad.

You can find per diem rates at the following web site:

<http://narodne-novine.nn.hr/clanci/sluzbeni/125910.html>

When travelling to Croatia the amount of per diem paid/field allowance from the UKF funding shall be in accordance with per diems/field allowances of beneficiaries financed from the State budget when travelling within the Republic of Croatia.

You can find per diem rates at the following web site:

https://narodne-novine.nn.hr/clanci/sluzbeni/full/2012_10_117_2524.html

In both cases, the UKF recognizes costs of accommodation for staying in not higher than 4 stars hotels and travel tickets can be reimbursed for trips in economy class/2nd class only.

b) Fellowship for professional trainings and scientific research (longer than 1 month)

Fellowship for professional trainings are regulated under the Act on amendments on Income Tax Act ("Zakon o izmjenama i dopunama Zakona o porezu na dohodak" O.G. 143/2014, cl. 10. p. 22.)

Fellowship for professional trainings and scientific research include: transport costs (from Croatia to the destination abroad and return), accommodation costs which are allowed up to maximum of 7.500 HRK monthly (reimbursed upon actual costs) and monthly allowance up to maximum of 7.500 HRK that cover personal needs.

Supporting documents for "Travel costs" are travel orders, documentation on fellowships, invoices and bank statements.

Travel costs amount in travel category cannot exceed 40% of total budget approved from the UKF.

2.1.5. Supporting consulting and expertise

Supporting documents for “Supporting consulting and expertise” are invoices, CV’s, consultants’ reports and bank statements, as well as invitations to quote and contracts provided on official forms for selection of Consultants as stated in „Extract from the Second Science and Technology Project - Project operational manual: UKF - Procurement arrangements for sub-beneficiaries“. The contract must specify the cost per hour and the number of hours (or days) needed for the particular expertise.

Maximum amount that can be paid for Supporting consulting and expertise is 10% of total budget approved from the UKF.

2.2. Overhead cost (indirect costs)

Overhead costs shall include non-scientist staff (technicians, administrative staff, IT support, HR), infrastructure (communal and maintenance expenses), communication expenses, network connection (telephone, photo-copy costs), office renting and supplies, other non-specific utilities and office services, as well as financial audit expenses.

No supporting documents are required for this item.

Overhead costs shall be minimum 5% and cannot exceed 15% of the total budget approved from the UKF.

2.3. Matching Funding

Administering Organization is obliged to keep documentation and report on resources used as matching funds. The UKF requires all supporting documents for matching funds.

If your matching funds are in form of “financial contributions” you shall have bank statement to prove it. You shall also keep documentation showing on what you have spent your matching funds i.e. same supporting documents you need for spending UKF Funds (as listed in clause 2.1 Direct costs).

If you have the matching funds in form of “in kind resources” you shall have record of the use of the equipment and invoices.

If you have the matching funds in form of “human resources” you shall fill in the template in Annex 3 and be able to demonstrate the calculation of cost of working day.

Annex 3 must be accompanied with Certificate of using human resources as matching funds (template provided) to record working time of co-workers from Partner organization(s) whose working time is used as matching fund which has to be authorized by Project Leader or Co-leader.

If you spend e.g. 3 hours every day on your project, then please record hours and convert them to days by dividing number of hours spent on project in one month with 8 (one working day corresponds to 8 hours). The time record, man days and cost declared in the Certificate shall be in accordance with the Annex 3. In case you are not sure about the supporting documents, we recommend you to contact us.

Please note: Annex 3 with the Certificate must be submitted with your financial report, while records of using in-kind resources as matching funds and Invoices (for using financial sources) will be submitted upon request by UKF.

3. Changes in Financial Plan

Only 10% changes within the same budget items-lines are allowed, all other changes between categories and/or changes of more than 10% within the same budget items-lines must be approved by the UKF Secretariat or the UKF Steering Committee.

E.g. In the below case under item “Travel” during the second year you reallocate 7.801 HRK from the Travel of Researcher II to the travel of Researcher I, but the total amount on Travel spent during the whole project period shall not be more than 78.019 HRK. You are entitled to make minor reallocations or one reallocation of 7.801 HRK, in any case your reallocation in the whole project period shall not be more than 7.801 HRK (10% of the budget under this line) and you are only allowed to reallocate money between budget lines that are already stated in your Financial plan (Annex 1 of the Grant Agreement.), i.e. you are not allowed to add new budget lines. You are entitled to make reallocations within same year and/or between first and second year.

Travel requested from UKF in HRK (before reallocation)

Budget Item/line:	Details (calculation)	Year 1 (1 st part of the project)	Year 2 (2 nd part of the project)	Total
Travel/Researcher I		27.383	27.788	55.171
Travel/Researcher II		11.216	11.632	22.848
Total		38.599	39.420	78.019

Travel requested from UKF in HRK (after reallocation)

Budget Item/line:	Details (calculation)	Year 1 (1 st part of the project)	Year 2 (2 nd part of the project)	Total
Travel/Researcher I		27.383	19.986	47.369
Travel/Researcher II		11.216	19.434	30.650
Total		38.599	39.420	78.019

Request for funds reallocation can be submitted to UKF every 4 months. The first request (in the form provided) can be done only four months after the project start. The UKF Secretariat may approve requests of re-allocation up to 100.000 HRK. The UKF Secretariat shall ask for Steering Committee's approval for requests amounting to more than 100.000 HRK.

4. Bank account

The Administering Organization does not have to open a separate bank account and the UKF funds can be kept as a separate line item or account on the general ledger, as long as procedures are in place to accurately track the beginning and ending monthly balances, expenditures and payments of the UKF.

5. Audit certificates

The Administering Organization shall submit Audit certificate with the Mid-term report and if the first audit was not successful there may be second audit. In that case audit certificate shall be submitted with the Final report. Audit certificates must cover the costs incurred during all precedent periods for which audit certificates have not been provided. An auditor must have qualifications in accordance with Audit Act.

Audit shall be paid by the Administering Organization.

6. Procurement regulations

All activities financed by the UKF shall be characterized by efficient use of resources, the promotion of good administrative practices and transparency in the management of funds, and the hindrance of corruption.

When procurement is made by public sector entities, procurement of goods and selection of consultants shall be carried out in accordance with the „Extract from the Second Science and Technology Project - Project operational manual: UKF - Procurement arrangements for sub-beneficiaries“ which describes procurement procedures which must be used in UKF projects, using the official forms included. The procurement which is not subject to the procedures described in the Extract: UKF - Procurement arrangements for sub-beneficiaries shall be governed by the laws of the Republic of Croatia.

Procurements made by private legal entities shall be done in accordance with the rules usually applied for the selection of procurement contracts. However, the consideration must be given to making the procurement as economical and appropriate as possible, all procurements financed by the UKF shall be characterized by good business practice, competition and objectivity. This means that the beneficiaries of the UKF grants that purchase goods and services shall observe good business practice in their procurements. Where competition exists it shall be utilized. Tenders and tenderers shall be treated objectively in order to achieve competition on equal terms. The private legal entities are not obliged to publish call for tenders, but they shall require submission of at least 3 quotes for all procurements of goods and services with value exceeding the threshold stipulated in the „Extract from the Second Science and Technology Project - Project operational manual: UKF - Procurement arrangements for sub-beneficiaries“.

7. Mid-Term Progress Report

The first Research/Technology and Financial report is also the Mid term progress report and shall be submitted 14 days after the 8 months of the Project has passed. (Template and detailed instructions are separately provided). There are two main purposes of the R&T report:

To provide detailed information on scientific/ technology part of your project, please clearly state which activities have been undertaken and which milestones have been achieved so far in accordance with the Work plan and timetable of the project and KPI from your final Project proposal attached to your Grant Agreement (Annex I).

To provide detailed information on progress of your project in relation to funds spent, travel completed etc. (clause 1 c of Annex I).

If you are aware of any kind of problems related to your project that have occurred during the project implementation, it is extremely important that you state them in your R&T report timely, or in the On-site Visit Questionnaire if you are requested to submit one, in order to discuss them with UKF Secretariat during the Initial Monitoring and follow-up on site visits. (see chapter 10. Initial Monitoring and follow-up on site visits)

8. Final Report

Final report shall be submitted no later than 20 days after the end date of the Project. (Template and detailed instructions are separately provided).

9. Dissemination Report

The Project Leader shall submit the Form on dissemination activities together with Research/Technology Reports. The purpose of this report is to tell us what steps you have taken to publicize the UKF contribution to your project and to disseminate your project results. Please note that this is also very important component of each UKF project.

10. Initial Monitoring and follow-up on site visits

Monitoring visits form an important part of the ongoing monitoring of projects, and this is also carried out through reports checks and meetings.

The first on site visit should be performed within the 1st half of the project implementation. The principal purpose of this initial monitoring is to allow UKF Secretariat the opportunity to ensure that the project is has been appropriately implemented and that any deviations from requirements are corrected timely. The monitoring team should consist of the Program Manager or Program Analyst. The visits facilitate contact between the UKF and project beneficiaries and awareness of each other's concerns. They should be regarded in a positive light, as a means of rectifying problems or discrepancies while the project is still on-going and as a means of sharing best practice between the project beneficiaries and the UKF.

The Project Leader will be notified of the project visit date 10 days in advance and may be asked to submit On-site Visit Questionnaire before the date of visit (template is separately provided).

11. Dissemination activities

In all information activities (scientific publications, public presentations) on a project supported by UKF, the Project Leader and the Administering Organization are responsible to indicate, both in Croatia and the Partner Organization country, that the project has received support from the UKF. The UKF logo can be found at www.ukf.hr . You should also send us evidence of any publicity materials.

12. Reporting deadlines

In the description of each report requirements, you can find submission frequency. If the reports or any other documents related to project are not submitted when requested, please note that the UKF Secretariat will propose suspension of your project to the Steering Committee.

13. Environmental Management Framework

The Administering Organization and Project Leader will ensure that the activities on the Project are implemented in accordance with the document “Environmental Management Framework”, as available on official UKF website, and according to Annex B: Environmental Category Form and documentation which were prepared by the Project Leader and submitted to UKF before the project start date.

The Administering Organization and Project Leader will also ensure that the environmental screening, environmental assessment and environmental mitigation may be monitored by UKF, Project Implementation Unit and the World Bank supervising missions. The research proposed shall respect all national rules and procedures of the relevant country where the proposed research is conducted. The Project Leader will ensure that the documentation submitted to UKF is complete. Either there is an update of documentation already sent to UKF (Material Environmental Management Plan, Material Safety Data Sheets, procedures described, authorized persons) or additional/new approvals from the relevant national or local ethics committee, permits, licenses and accreditations issued during the project implementation, the Project Leader shall send them accordingly to UKF.

14. Monitoring & Evaluation framework and institutional arrangements

For the purpose of monitoring and evaluation of the impact of the UKF programs the specific Monitoring & Evaluation arrangements are established.

All applicants already provided baseline project information to be used for this purpose by submitting the filled-in Baseline Survey among other project documentation required in the Call for proposal.

To serve the purpose of UKF program impact evaluation, the Project Leader and the Administering Organization which are granted the funds are further obliged to participate in any evaluation tools (surveys and questionnaires on UKF performance indicators) that will serve to collect project information, as specified in the Grant Agreement, clause 15.8. and 15.9. During the period of UKF projects implementation, the Monitoring & Evaluation framework will be set up, with specific Monitoring & Evaluation instruments determined for the UKF programs and UKF will timely inform the Project Leaders on which possible updates or additional project information must be submitted and at what frequency.