Plain Action

Project Manager's Guide

www.plainaction.org.uk

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European Agricultural Fund for Rural Development: Europe investing in rural areas.

1. Introduction and congratulations

Congratulations! You have been awarded funding by Plain Action to make a difference in the Salisbury Plain area. This Project Manager's Guide aims to simplify your process of securing that funding and operating within the Regulations.

The award of Local Action funding under the RDPE carries with it responsibilities and commitments. To avoid difficulties later please do construct your project management, finance and recording systems in accordance with the requirements summarised here. Common areas of difficulty include ineligible costs, evidence for claims, apportionment of overheads, breakdowns in audit trails, and departures from the contract/project specification.

We are here to help. Before submitting your application you will have received an individual or group Plain Action briefing session, and should have factored the requirements set out here into your application.

After approval and before you start your project the Programme Manager will make a Project Engagement Visit to discuss the delivery of your project and to explain these requirements, and other matters, in more detail.

This may all look formidable. It need not be if approached calmly and methodically. Again, we are here to help – this is Local Action in action!

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2. The base point – your application, offer letter, and contract

Your approval is based upon your application and the subsequent offer letter and contract with Plain Action's Accountable Body, Wiltshire Council, and you are bound to the terms of that offer letter and contract. Please ensure you retain copies of each of these documents. Do not under-estimate your responsibility to fulfil the terms of the contract.

3. Publicity requirements

It is a requirement of RDPE funding that you actively publicise the benefits and opportunities offered by the project and the RDPE support. This is taken very seriously - failure to do so could result in breaching the contract and loss of grant. This requirement applies to promotional material, websites, press releases and project sites.

General documentation and printed material To give some idea the following all require the 4 logos, EU statement and the Plain Action logo as referenced below:

- Advertisements (for posts paid for by RDPE funds)
- Documents for beneficiaries of projects
- Exhibition stands and materials
- Internal project documents.
- Marketing literature about the project or activities
- Newsletters

- Posters
- Project specific documentation
- Project specific letterheads and compliment slips
- Promotional plaques & site billboards
- Publicity material for events making reference to your project Websites

Press releases: It is recognised that you cannot control what a newspaper chooses to print. Your press releases must include the following: *"This project is part financed by the European Agricultural Fund for European Development 2007-2013: Europe investing in rural areas. It is being delivered through Plain Action, the Local Action Group on Salisbury Plain, and the South West of England Regional Development Agency with Defra as the Managing Authority."*

Websites: Websites and other electronic information such as presentations should include the four logos (EU, defra, SWRDA, Leader) and EU statement on the home or first page. Websites should also include a hyperlink to the EU Commission's rural development web site (See Annex 1) along with the statement indicating the project is being delivered through SWRDA, with Defra as the Managing Authority.

4. Procurement (purchasing) requirements and records

General

You must comply with the EU and national rules for public procurement. This applies even if you are not in the public sector. Your procurement process and decisions are open to audit AND must be transparent, well documented and give value for money.

You need to be able to demonstrate you have followed the procedures by having an audit trail comprising some of the following (depending on the amount):

- A rationale for the procurement method
- Written quotations
- The advertisement, the invitation to tender, the specification, tenders received including time and date of receipt, detailed record of tender evaluation and how you have processed the tenders since receipt, all subsequent related documentation and correspondence.

Value for money

There is no requirement as such to accept the cheapest quote. Adequate records must be kept of the grounds on which decisions have been reached. Broader value for money considerations can include:

- Previous knowledge of the supplier (reliability, quality etc)
- Specific skills and experience of the supplier in a specialist field
- How local? Contractors / suppliers who provide employment etc within the Plain Action area are preferred.
- Other considerations peculiar to the particular goods / service.

Procurement – general limits

Goods / service < £5,000	Consider / research suitable suppliers **Obtain written quotation from at least one suitable supplier** specifying the goods, services or works to be supplied; when they are to be supplied; the quotation figure; terms and conditions of any contract and terms of payment. Keep record of process and grounds for decision.
Goods / service £5,000 - £24,999	Finalise specification of what is required **Obtain a minimum of three competitive quotations** based on your specification and setting out goods, services or works to be supplied;

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	when they are to be supplied; the quotation figure; terms and conditions of any contract and terms of payment. Keep record of process and grounds for decision. You are not bound to accept the cheapest – the one accepted should offer best value overall.
Goods / service £25,000 - £99,999	**A 'request for quotation' (akin to tendering) process should be followed.** Finalise specification of what is required Publicise invite to quote including grounds on which quotations will be evaluated. Include closing date, notification date, and grounds on which quotations will be evaluated. Establish process within the organisation – who will be involved in decision?
Goods / service over £100,000	This is unlikely to arise for a single goods / service within a Plain Action funded project. In the event the process would be subject to discussion and agreement with Plain Action, and would feature in the approval process.

5. Claims – general

You will be able to claim quarterly on specific months to be agreed. There may be a six week period between the end of the quarter for which you are claiming and receipt of the funds from Wiltshire Council into you bank account. If this produces cash flow problems for your organisation an advance may be possible on an exceptional basis – a question addresses this on the application form.

You will be given instructions on completion of the claim form at the Project Engagement Visit. It will be acceptable to submit it first electronically in draft form for agreement with the Programme Manager.

The claim should satisfy the following:

- You are spending only against the cost headings specified in your Offer Letter.
- Your claims for each cost heading do not exceed the amounts specified in your Offer Letter.
- Expenditure took place after the project start date, unless the Offer Letter permits otherwise.
- You have already me the costs claimed for – ie the money has left your bank account.

6. Claims - evidence of expenditure

The requirement is comprehensive, and whether or not full evidence is required (to be sorted) with each claim you need to have this standard of evidence readily available for sampling and potential audit visits. This is a contractual requirement. In support of your claim(s) you are required to have/produce:

- Original receipted invoices.
- Original bank statements.
- Contracts, job descriptions, payroll information and timesheets (signed and dated by the staff member and manager). For staff who are funded and work full-time on a Plain Action project timesheets are not required.
- For in-kind services, appropriate supporting evidence; further details in later section.

- Show the rationale for calculating overhead charges, (including depreciation – see below) and proof of the actual costs on which they are based. The rationale should follow that included in the project application/offer letter/contract.
- For depreciation (only if agreed as an eligible cost), a fixed asset policy and copies of the relevant invoices, showing when you purchased the asset and its cost.

7. Cost calculations in applications and claims

<u>The application becomes the basis of your offer letter and contract. The construction of the cost calculations in the application are thus of direct relevance to the evidence you will be required to provide in claims.</u>

Eligible and ineligible costs The following are always ineligible: recoverable VAT (see below), interest and service charges on debts and other financing arrangements, some elements of leasing costs, statutory charges (eg planning), HP costs before you are the full owner. Eligibility of proposed costs in an application should be checked during its preparation.

In-kind costs In-kind goods and services specified in your project application and subsequent claims are those provided to the project at no cash cost. Their value appears both as 'income' and 'expenditure'. Typical goods and services include volunteer input (eg professional services, labour), capital items and materials, and other services and facilities. Only 'in-kind' contributions in the application and contract can be included in claims. All in-kind items need to be fully evidenced with a full audit trail. Evidence should include proof that the item has been given and received, a record showing how the value was arrived it and that it is reasonable, and in the case of volunteer labour or staff time, names of individuals, signed timesheets, the work carried out, and the hourly rate adopted with justification. These evidence requirements will run through the claims process; you may wish to consider this when constructing your application, especially if it could stand up without including 'in-kind.'

Staff costs and apportionment Timesheets are not required for staff specifically employed 100% by the organisation on the Plain Action funded project. Where staff are not employed 100% on the project, timesheets signed by the line manager are required. Where the time varies the Programme Manager can provide the method of calculation for claims purposes.

Overheads The application should show the method of calculation and evidence/proof that will support any contribution to overheads you intend to claim. Your claims will need to correspond to the application, offer letter and contract. At least annually a review and reconciliation exercise should be undertaken and provided as evidence. In general you should ensure that: the source cost is eligible and fully auditable, the cost is clearly relevant to the project and reflects the true cost, the overheads are based on actual costs and not averages, and that you maintain a full record of how you calculated the overheads and that you have evidence to support your claims. If you are including apportioned overheads in your application, <u>do consider how you are going to meet these evidence requirements when making claims.</u>

8. VAT

<u>It is important to think through VAT when constructing the application, and consider then how it will be reflected in claims.</u> Handling VAT often presents difficulties. It need not if you are consistent. Your original full project application and subsequent claims should both adhere to the following

- If your organisation is not VAT registered, and so bears the full cost of any input VAT in its purchases, include the full purchase costs in your project application and in your claims. You will need to make a VAT declaration at the application stage.
- If your organisation is VAT registered and recovers the cost of VAT on goods and services, do not include VAT in your claims.

- If the VAT circumstances of your organisation / project are not entirely covered by either of the above, discuss this with the Programme Manager when constructing your application.

9. Progress reports and project changes

Your quarterly claim will incorporate a straightforward progress report. This requires you to report against the outputs, milestones (timetable) etc in your application form and contract.

With the best will in the world some projects do not run according to plan. This is accepted. Changes may be due to factors beyond the project manager's control. Changes might include:

- Changes to the cash/spend profile
- Changes between expenditure lines
- The project running late (or early)
- Underperformance in terms of outputs
- Changes to the delivery method.

If delays or changes are due to poor management they may not be agreed and there may be a reduction in the grant. To avoid any risk of this, consult the Programme Manager as soon as you foresee the need to depart from the contract.

10. Retention of records, audits and inspections

Record Keeping You are required to be able to produce original documents. You must keep all project records (including your audit trail) until six years after your last payment.

The records covering the general management and delivery of the project should include the Offer Letter, with any variations, the project budget with updates, correspondence with project partners and subcontractors, progress reports and supporting evidence, comprehensive recruitment and staff records for those charged to the project, records showing compliance with statutory and EU requirements,and procedures for managing and delivering the project, including "project controls"., and a register of all assets purchased within the project.

Audits and inspections The project will be subject to a minimum of one formal Plain Action inspection during its life, and at least one formal monitoring visit by the Accountable Body (Wiltshire Council), SWRDA, or an organisation representing the RDPE/EU. Advance information will be provided of any audit/inspection.

11. A reminder - if things are not going according to plan

The message is very simple – if there are any potential difficulties with the project (eg staffing, over expenditure, non- delivery) do discuss with the Programme Manager at the earliest opportunity. This is an innovative programme, you are operating in the real world, and circumstances do change. If necessary, project changes can be approved.