Tool 35: Checklist: How to avoid financial management problems

This checklist provides a list of useful rules that may help you avoid financial management problems in the course of setting up a cross-border collaboration project.

Please go through the list and put a cross in the relevant field (‘yes’, ‘no’) if you have considered the topic. Comments (e.g. reasons for non-consideration) can be entered separately. In the case of non-consideration, please think about subsequent consequences (on other criteria or on later stages of the project).

| Topic | To be considered | | Comments | **Consequences**  (impact on other criteria, the whole project, the timeline etc.) |
| --- | --- | --- | --- | --- |
| Yes | No |
| **1. Set up separate accounts for project funds**   * At minimum, ensure that the accounting systems of project partners can clearly keep project costs separate * Without that, evidence for which costs have been assigned to the project and why will be missing * In the case of external funding, parts of the expenditure might be deemed ineligible |  |  |  | *Please consider the consequences if the topic is not considered* |
| **2. Involve partner finance managers from the start**   * To check if financial management systems and procedures are compatible |  |  |  |  |
| **3. Ensure an audit trail**   * All project partners must keep all invoices * Supporting documents should be kept as well (e.g. timesheets for part-time staff) * It is advisable to retain the documents after project closure, in case of future audits |  |  |  |  |
| 1. **Keep your filing up to date and find out what to file**  * Make sure that you always have all documents available, especially contracts and evidence of public procurement |  |  |  |  |
| **5. Find out what the national public procurement thresholds are in each partner country**   * Very small contracts do not need to be tendered * Larger contracts may require a limited tender, whereby a smaller number of offers are requested * Large contracts require a full public tender with strict rules and procedures * ‘Small’ and ‘large’ are relative terms here: the threshold values (referring to the contract value that determines which tender procedure needs to be used) set by different countries vary enormously |  |  |  |  |
| **6. Avoid grey areas**   * In the case of external funding, sometimes there is a temptation to bend the rules or misinterpret programme advice * If in doubt, ask – and accept the guidance that is given |  |  |  |  |
| **7. Only report costs that are directly related to implementation of the project**   * Demonstrate that all of the costs reported were actually incurred and paid out, and were necessary for implementing the project * In the case of external funding: any costs that do not meet these criteria may be treated as ineligible |  |  |  |  |

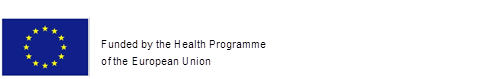
Source: GOE FP based on [1]

References

[1] INTERact. Project management handbook. n.d.

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