

## **MU Directive No. 8/2013**

### **Rules for Finalising Projects Implemented at MU within the Education for Competitiveness Operational Programme**

*(in the wording effective from 1 July 2013)*

*According to Section 5, Article 2, Letter d) of the Rules of Organization of MU, I issue this directive:*

#### **Section 1**

##### **Introductory Provisions**

1. The aim of this directive is to provide Principal Investigators of the projects financed from the Education for Competitiveness Operational Programme (ECOP) with information what steps should be made when finalising projects financed from the ECOP, how to archive project documentation and how to secure sustainability if a project requires it according to the *Resolution on providing a grant* or the *Grant Agreement*.
2. The following people/offices participate in activities connected to project finalising, its archiving and, if necessary, securing sustainability:
  - Principal Investigator
  - Finance Manager of the project
  - Finance Department of an Administrative Centre (HS in Czech)
  - Personnel Department of an Administrative Centre
  - Office for Development (Rector's Office)
  - Accountancy and Financial Management Office (Rector's Office)
  - Office of the Internal Auditor (Rector's Office)
  - Technology Transfer Office

#### **Section 2**

##### **Final monitoring report and payment request**

The Principal Investigator is obliged to:

1. Verify, whether all minor changes in the project have been reported in previous progress monitoring reports; if not, it is necessary to report these facts in a monitoring report before the end of the project.
2. Ensure, in cooperation with the Office of the Internal Auditor, that an audit is conducted and the audit report is submitted together with the final monitoring report. This applies only to projects with approved funding in the amount of 3 million and higher (or above the limit set in the Guidelines for beneficiaries of funding from ECOP). The document containing recommendations on how to conduct the final external audit issued by the Office of the Internal Auditor is to be found (only in Czech) on the website of the Office for Development ([projekty.rect.muni.cz](http://projekty.rect.muni.cz)).

3. Submit the final monitoring report elaborated in the web application Benefit7+ no later than 2 months after the end of the project implementation, unless the legal documents state otherwise.
4. Along with the final monitoring report, provide the grant provider with the information concerning all outcomes (products created in the scope of the project implementation), including those which have already been reported in the previous monitoring reports. This is to be done electronically, or according to the grant provider's instructions. Grant the provider with unlimited, non-exclusive licence to use these products. Model Licence Agreement is Annex no.1 of this directive (Technology Transfer Office cooperates on its formulation). The Principal Investigator is obliged to provide written consents of co-authors who are not MU employees with the authorization of the grant provider to use the product without limitations for the period of the property rights in accordance with the Act No. 121/2000 Coll. and with concluded Grant Agreement. If the product was released when the MU 8/2009 directive was valid, it is advisable to acquire also the authors' (MU employees') consent to grant the provider a non-exclusive unlimited licence to use the product including the right to grant a sub-licence.
5. Include the *Overall information about the project implementation* (the form accessible on the MEYS website) as a special annex of the final monitoring report.

The Finance Manager of the project is obliged to:

1. Elaborate on the final payment request which will include all expenses reported in the final monitoring report in the part "reimbursement". The part "pre-financing" will be filled only if the finances beyond the already paid advance payments are requested.
2. Elaborate on the document *Overview of covered project expenses* which will be included in the final monitoring report. This form is an annex of the Methodical letter No. 18 available on the MEYS website.
3. Check all paid payment requests and its accordance with the covered expenses and obtained advanced payments. Eligible costs of the project which will not be included in the final payment request at the latest cannot be paid by the grant provider.
4. After the final payment has been made, make sure that the project accountancy is balanced (project accountancy cannot show neither positive nor negative economic result).
5. Inform the Office for Development MU in writing that the final payment request was approved and the Office will, if necessary, settle accounts with the state budget in compliance with Decree No 52/2008 Coll.

### Section 3

#### Property Records

Before the end of the project, the principal investigator is obliged to make sure that inventory of tangible and intangible assets bought within the scope of the project is carried out and list of assets is added to the archived documents. If the project has a financial partner, the obligation to carry out inventory applies to them as well:

- It is important to fill the mandatory holding period on the assets (“Period of sustainability until :”), so that the assets are not transferred, retired or sold. If the project defines a period of sustainability, the assets purchased as investments and with cross-financing cannot be retired before the end of the period of sustainability.
- Inventory list of purchased assets should include: project registration number and its name in the upper right corner of the list, inventory number and name of the asset, number of the accounting document, place of the asset within the organization, if the asset was lent or transferred to a partner, its place within the partner’s organization, date when it was filed as an asset of the Administrative Centre/other institution, cost of acquisition and date of retirement.
- If an asset is transferred to a partner after the end of the project implementation, it is necessary to inform about it in an additional comment to the inventory list with reference to the *Transfer of property report* (Annex No.2, only in Czech) and *Deed of donation* (Annex No. 3, only in Czech).
- A copy of the Transfer of property report and a copy of the Deed of donation will be a part of the project documentation. If any consumables for partners were acquired, the list of these consumables will be included in the documentation.

### Section 4

#### Project Financial Settlement

The Project Finance Manager (in cooperation with the Finance Department of the Administrative Centre) is within the scope of financial settlement obliged to:

1. Carry out a check of separate cost and profit accounting of the project and its accordance with the shown incomes and expenses, as they can be found in accounting documents, and with paid payment request. If necessary, he/she is responsible for corrections. In case of non-eligible costs, the Finance Manager of the project makes sure that these are accounted within the source which enables it.
2. Make sure that financial controls of all operations within the projects are in order. Especially, make sure that accompanying documents include all the essentials, especially all mandatory signatures, i.e. chief accountant, budget administrator, the person responsible for operations/transactions... and the date of authorization (if the date of authorization precedes the date of actual operation).

3. Carry out a check of accounts related to granted advance payments, especially advance payments granted to employees for business trips and advance payments for external supplies of goods and services.
4. Settle finances with the payment office (pokladna in Czech) so that if necessary, the money could be returned from the project account.
5. If the project has a partner/partners with financial contribution, make sure that similar controls are carried out also there and that finances with the partner(s) are settled.
6. Calculate the real amount of indirect costs of the project in view of the last list of expenses and their addition to the final payment request. Check if calculated amount of indirect costs corresponds to costs from the project bank account. Carry out refunding of all eligible costs of the project paid from own resources to a value not exceeding granted advance payments.
7. Make sure that finances “borrowed” (e.g. as a financial reserve for possible ineligible costs) from the Reserve fund or Fund for Renewal of Investment Property (FRIM in Czech) are transferred from the project bank account to the given MU bank account.
8. Carry out a check of accrued revenues/expenses and accruals from previous years. Specify the difference between the acquired finances and eligible costs of the project from all payment requests including the final one – i.e. specify, if relevant, the amount of additional payment from the grant provider (no higher than the total amount of claimed eligible costs) or the expected amount of money returned.
9. Based on the notification from the grant provider concerning the approval of eligible costs, make corrections in accounting records; if necessary, specify, in cooperation with the Financial Department of the Administrative Centre, the final difference between the acquired finances and approved eligible costs of the project, i.e. Specify the real amount of additional payment from the grant provider or the amount of the money to be returned. If necessary, finances (or a certain amount of finances) will be returned on call of the grant provider before the given deadline, but not later than 30 days after the date on which the amount was approved.
10. Close the project bank account but no sooner than the financial settlement is over (only after all payments related to the project are made). Interests generated on the project bank account since the date when the final monitoring report was submitted (or the date of the previous statement of accounts) are not subjected to financial settlement according to Decree No. 52/2008 Coll., the Administrative Centre therefore considers them to be its own. As to bank charges, the Administrative Centre has to pay them from its own funds.
11. If the project has a partner/partners with financial contribution, settle accounts with them in compliance with the Partner Agreement.

## Section 5

### Archiving of project documentation

1. When the project is finished, the Principal Investigator is obliged to secure archiving of all project documentation at least till 2025, unless the Czech Republic legal system sets longer time limit (e.g. it is necessary to archive earning records/payroll sheets for the period of 30 years), that is also in compliance with the Rector's Directive No. 4/2009 – Projects management and administration at MU.
2. Documents are to be archived both in a paper form and electronically. Electronic archiving is to be done by means of the MU Information System for Projects Management (ISEP in Czech) where most documents have to be uploaded and the Principal Investigator is responsible for data integrity. The reason for electronic archiving is to secure long-term legibility and verification of original documents for the purpose of their examining by authorised entities. The list of documents and project outcomes which are to be archived both electronically and in paper form can be found in Annex No. 8 of this directive – *The List of Archived Documents* (only in Czech).
3. The Principal Investigator is obliged to inform the partner(s) of the project about the necessity to archive the project documentation (Partner Agreement).
4. Project documentation must be well-arranged, clear and easily accessible. The Administrative Centre is responsible for making sure that in case of an inspection the archived documents can be used as evidence.
5. As to the outcomes in the form of employee works, the Principal Investigator is obliged to make sure, in compliance with MU Directive No. 4/2003, that they are uploaded to the Repository of employee works.
6. Original documents which were stored in the Office for Development MU in the time of project implementation, i.e. for example Resolution, amendments, partner agreements, etc., will be delivered to respective project implementation team after the end of the project on the basis of the *Delivery Protocol* which is Annex No. 4 of this Directive (only in Czech). At the same time, the documents will be delivered to the Administrative Centre by means of MU Records Service.
7. Documents related to the same thing (the project) are a part of the documentation. The documentation must include the list of all documents in it (with or without a reference number) and the documents must be arranged according to this list (example in Annex No. 5 *Project Documentation Contents*, only in Czech). Documents can be arranged chronologically or thematically.

8. If, due process of law, it is not possible to include original documents (e.g. earning records/payroll sheets), it is necessary to include a written notification where it is possible to find and verify these documents. The Principal Investigator is obliged to make sure that these documents are marked as original documents, i.e. with documentation mark and documents destruction/shredding date.
9. Before the documents with a reference number are archived in a paper form, it is necessary to process them in IS MAGION/Records Service in compliance with procedures and policies of the Administrative Centre.
10. Processed documents are stored in storing covers which must have tags with the following information on them (Annex No. 6 *Tag on Archive Boxes*, only in Czech):
  - ECOP Logotype
  - Name of the delivering institute
  - Project documentation contents
  - Documentation mark according and brief agenda description
  - Time span of stored documents
  - Destruction/shredding mark and date
  - Number of the archive box within the stored documentation group
11. Documentation mark for ECOP projects is 11. 1. 1. (Grants Documentation)  
Destruction/shredding mark for ECOP projects is V/20 (V=the selected documents will be archived until the expiration of the mandatory archiving period – 20 years after the end of the project)
12. When delivering the documentation to the archive, it is necessary to hand over the *Delivery Protocol* to Records Office (Annex No. 7) according to directives of the Administrative Centre.

## Section 6

### Sustainability

1. Sustainability is a period during which the beneficiary has to sustain outcomes of the project and thus guarantee that they will be used after the end of project implementation. Financing of the project sustainability cannot burden MU budget beyond the state which would be if the project had not been implemented.
2. The Principal Investigator is responsible for project implementation during the sustainability period and for monitoring reports concerning sustainability (according to regulations of the grant provider), unless the Head of the Administrative Centre decides otherwise. If

employment relationship expires or is terminated or in case of other objective reasons, the Head of the Administrative Office charges a new employee with the responsibility during the sustainability period. (Annex No. 9 *Employee Authorisation for the Period of Sustainability*, only in Czech).

3. The Principal Investigator is obliged to secure maintaining of outcomes to such extent as it is defined in the project proposal. If investment costs were covered within the project, or some items were bought using cross-financing principle, the beneficiary must guarantee at least 5-year sustainability of the item and no major change of the ownership of this item may occur during this period.
4. Products must be at disposal to the target group; however, commercialisation of these products is possible in any form. Further using of the products must be in accordance with § 16 of the Act No. 130/2002 Coll. on support of research and development from public funds and on amendment to some related acts (R&D support act). If the project generates profit in the period of sustainability, it is inevitable to reinvest to securing sustainability.
5. Also partners share the responsibility for sustainability if it is included in the Partner Agreement.

## Section 7

### Final Provisions

1. I authorise the Head of the Office for Development to explain information in the area of methodology given in this directive. I authorise the Head of Accountancy and Financial Management Office (Rector's Office) to explain the information related to economics and finances and the Head of the Office of the Internal Auditor to explain the information related to inspections and audits.
2. The Head of the Office for Development checks whether this directive is followed.
3. If it is necessary, this directive is valid also for ECOP projects which had been finished before this directive came into force.
4. This directive comes into force on 1 June 2013.

In Brno on 28 May 2013

Ladislav Janíček, Bursar