

**Help Card**

**V1.0**

# Completing the granular budget breakdown for CHART projects

## ESF

### What is a granular budget breakdown?

- A detailed line-by-line breakdown of project expenditure
- Benefits
  - Clearly identifies what is match funding and what is ESIF
  - Helps clarify expenditure of project is eligible
  - Enables financial annex to be completed

### Introduction

- A granular (itemised) budget forms part of your application for funding and is a very detailed list of all spending expected to be made during the life time of your proposed project
- It ensures each item of expenditure and costs associated with your application are clear and can be identified as eligible for European funding
- Further guidance on this can be found in the Grant Recipient Handbook and within the Granular Budget and Financial Annex templates

### **Why must I complete a granular budget?**

- A granular (itemised) breakdown of the project budget is an critical part of your application for CHART funding

### **Where do I start?**

- You should create a full granular budget breakdown for the whole of the project period
- CHART funding operates by calendar years (January-December) and not financial years

### **What else do I need to think about?**

- Consider carefully how much time it will take to get the project started – will you need time for recruitment/procurement/formalising the partnership? Most projects spend very little while setting up in the first couple of quarters.
- CHART funding is paid once a successful claim have been made so you'll need have adequate cash flow to manage your project during this process
- Make sure you include enough funding to administer and manage the CHART project
- Some funds are held back at the end of the project (normally 10%), whilst the final claim and final verifications are carried out

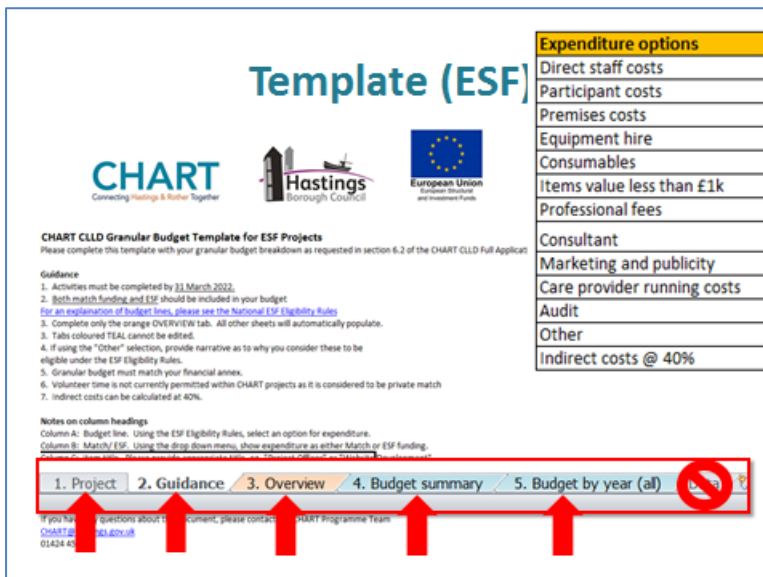
### **Remember**

- CHART funds are paid based on 'defrayed expenditure' (paid) i.e. when a payment leaves the project's bank account, not when an invoice or cheque has been written/sent
- Be as realistic as possible about when you think spending will occur and when you expect financial settlement
- The Granular Budget and Financial Annex are separate Excel spreadsheets available at [www.hastings.gov.uk/apply](http://www.hastings.gov.uk/apply)



## Budget template

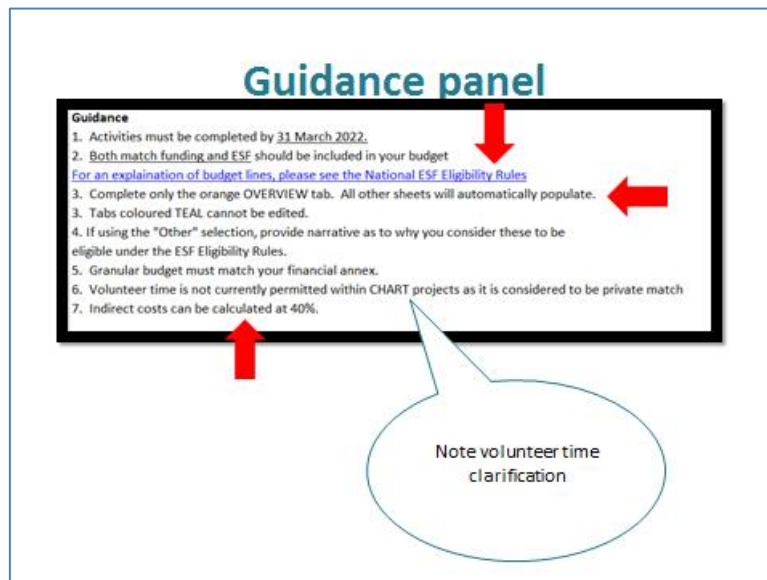
- You will have received a granular budget template like this as part of your full application package



## Template tabs

- Project – This page identifies your project and contact details - complete the boxes in this tab
- Guidance – this tab provide some guidance on how to complete the template

- Overview – **this is the only other tab you need to complete**
- Budget summary – auto completes from the information you have provided in the overview tab
- Budget by year (all) – as above
- Data – **DO NOT USE**

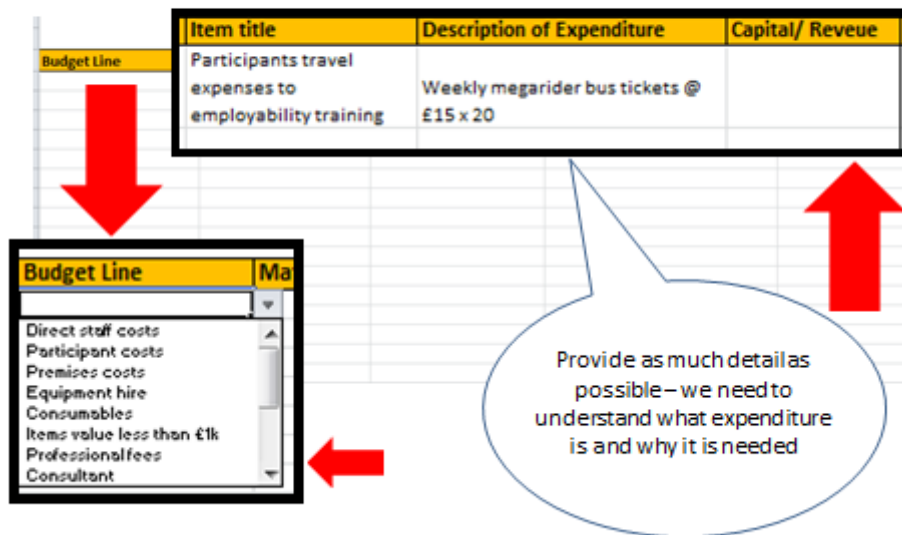


#### Guidance tab - detail

#### **Guidance tab - detail**

- The guidance panel give you a link to National ESF Eligibility Rules, which gives guidance on what are eligible and ineligible costs and a description of direct and indirect costs
- It explains you only need to add data to the orange overview tab
- Provides current volunteer time guidance and indirect costs calculation

## Populating the budget



### Overview tab - detail

- **Budget line** – drop down list of all eligible expenditure headings
  - Direct staff costs - for staff directly working on the project
    - Salaries and on-costs including NI, superannuation and other contractual benefits (taxable incentives linked to pay and pension contributions),
    - internal (employed) staff or external staff (employed through agencies and/or by named delivery partners)
    - staff shared between projects - only include the number of hours actually spend on the CHART project
    - Record exact number of hours the staff member worked on the project each month - they must keep monthly timesheets recording 100% of their time (not just the time spent on the project!);
    - timesheets need to be signed by the staff member and their manager and include details of CHART work completed
    - **Annex I of the ESF grant recipient handbook explains the part time hours calculation using the 1720 hours fixed formula**

- Other direct costs (see slide below)
  - Travel costs
  - Childcare and other dependent care costs
  
- Indirect costs
  - See below. The ESF budget will be based around 40% indirect costs and staffing costs only, but you will need a summary of what the 40% indirect costs will be spent on to check it is eligible and provided on a separate sheet.
  
- **Match/ESF** – you need to specify whether the item is from your own match funding or is ESF funds
  
- **Item title** –A free field and itemises what you are claiming for
  
- **Description of expenditure** – A free field. Describe in as much detail as possible the item you are claiming for and why you need it for your project. The more information you put in here the better, we need to be able to clearly see that the expenses you are claiming for are eligible

**See [Annex I of the ESF Grant Recipient Handbook](#) for description and guidance of eligible and ineligible costs including staffing costs (eligible and ineligible) and how to calculate**

**Populating the budget**

| 2019 Quarterly Expenditure |                    |                    |                    |
|----------------------------|--------------------|--------------------|--------------------|
| Q1 Jan 19 - Mar 19         | Q2 Apr 19 - Jun 19 | Q3 Jul 19 - Sep 19 | Q4 Oct 18 - Dec 18 |
|                            |                    |                    |                    |

Top tip:  
Match  
expenditure to  
your milestones

Break expenditure down by quarter. You can have more than one quarter for each line.

### Quarterly expenditure

- Breakdown your expenditure into quarters and enter the cost in the corresponding period. You can populate as many quarters as needed for each item of expenditure.
- Make sure the costs entered in these fields match the milestones you have entered in your full application
- This information can then be used to complete the Financial Annex spreadsheet also required as part of your full application

**See [Annex I of the ESF Grant Recipient Handbook](#) for description and guidance of eligible and ineligible costs including staffing costs (eligible and ineligible) and how to calculate**

### Eligible expenditure ESF

- Premises costs and running costs (e.g. rent, gas, electricity, water, insurance) if used exclusively for the delivery of a project,
- Hire and operating leases of equipment
- Depreciation of equipment already owned and used in the project
- Stationery and consumables
- Small items of equipment costing less than £1,000 per item
- Fees (eg, consultants)
- Publicity and marketing activity
- Postage and telephone, heat, light and power
- Cleaning, minor repairs and maintenance
- Running costs of nurseries and other care facilities
- Cost of audit, legal and accountancy
- VAT (if not recoverable)
- Direct staff costs

**See [Annex I of the ESF Grant Recipient Handbook](#) for description and guidance of eligible and ineligible costs including staffing costs (eligible and ineligible) and how to calculate**

### Eligible expenditure ESF

- Participant costs
  - Wage subsidy or training allowance
  - Travel costs
  - Childcare and other dependent care costs
  - Board and lodging for external courses
- Indirect costs at 40%
  - Not adding in any other direct costs

- ESF budget will be based around 40% indirect costs and staffing costs only, but we will need a summary provided on a separate sheet of what the 40% indirect costs will be spent on, to check it is eligible.



## Ineligible expenditure ESF

- Financial costs: interest, costs of financial leases and other financial charges
- Consultancy fees associated with the application and claims processes, or management fees or commissions
- Staff time spent completing/writing applications and project closure reports
- Non-statutory allowances to staff
- Charges again for equipment or building which have previously attracted EU funding
- Volunteer time, as this is considered private match
- Purchase of second-hand equipment
- Any single item costing over £1,000
- Costs exceeding market value,
- Debt interest,
- Lost opportunity costs,
- Costs paid for (= payment left your bank account) before the start date of your project or after the end date of your project,
- Costs in relation to activity intended to influence or attempt to influence the UK Parliament, Government, political parties or European Union institutions,
- Costs in relation to activity attempting to influence the awarding or renewal of contracts or grants,
- Costs in relation to activity attempting to influence legislative or regulatory action in the UK of the EU.

**See [Annex I of the ESF Grant Recipient Handbook](#) for description and guidance of eligible and ineligible costs including staffing costs (eligible and ineligible) and how to calculate**

## Help and support

- Grant recipient handbook (Annex I)
- ERDF National Eligibility Rules (Page 9)
- ESF National Eligibility rules
- CHART Programme Team ([CHART@hastings.gov.uk](mailto:CHART@hastings.gov.uk))
- Delivery partners

