



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

PLEASE NOTE:

You must not start work (including purchase of any items or equipment) on your proposed project until you have signed and returned a RDPE contract for your proposed project.

RDPE Project Managers Guide

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1. How to use this booklet

1.1 This booklet provides guidance on how to manage a RDPE funded project. In addition to reading this booklet you are expected to attend a two hour project managers workshop which will give further details on all of the topics in this booklet.

1.2 Throughout the lifetime of your project you must keep in close contact with your HCC contract manager; their name will be on the bottom of the OM form 63 contract letter.

1.3 If you do not have experience of managing projects and keeping accurate records you should consider employing an experienced project manager and record keeper – in the long term it could save you money and reduce the risk of the project not being completed successfully and risks of delays in grant payments.

1.4 Do not under-estimate your responsibility in terms of fulfilling the contract with Hampshire County Council.

2. Your Contract with Hampshire County Council (HCC)

2.1 The Contract is a binding contract between the project applicant and HCC. Therefore you should read it carefully before you sign it, and the project manager should refer to it throughout the life of the project to ensure that you are complying with its requirements. **You must not start any work on the proposed project until you have signed and returned your RDPE contract.**

2.2 The key issues to note include:

- The Contract confirms the total expenditure which is eligible for funding through the RDPE, a list of items eligible for grant support and the grant rate %.
- The Contract includes the profile of grant claims by date and amount. If you do not meet these scheduled dates for claiming grant there is a risk that HCC will refuse to pay the grant. If the project gets behind schedule for reasons beyond your control HCC might consider changing the profile of grant claims, but if the delays are due to poor project management the profile is unlikely to be changed, resulting in loss of some grant.
- All of the above are fixed. In exceptional circumstances HCC might agree to vary the contract but only if you request a variation in writing; this must be approved by HCC before you commit to any expenditure not included in the original contract or any changes to the specification of the work.

2.3 The Contract also outlines the milestones and output targets which your project should achieve and any special conditions which you must observe. Milestones are used to track the progress of a project. They are specific and measurable and include a date by which they should be completed. Some conditions are general and apply to all projects, such as the provision of Progress Reports with claims or the need to publicise the DEFRA/EU funding contribution to your project. Other conditions are specific to your project and will be based on the aims and activities of your project.

3. Publicity requirements

3.1 Within the Contract there are certain requirements relating to publicity. Defra and the EU expect you to publicise your project in a way that is tailored appropriately to your target audience, be it customers, suppliers, other participants or partners. In doing this they require you to show that your project has received funding from DEFRA and the EU. This should be done by erecting information plaques, signs or notices at the site of your project as prescribed in the contract letter. The following text and logos should be used on written material, websites and literature associated with the project. Your HCC contract manager can supply the logos that you need to display.

Logos cannot be used to infer endorsement by Defra, SEEDA or EU of products created under your project.



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4. Progress Reports

4.1 You must supply a Progress Report with each grant claim. Larger and long term projects will need to supply a progress report every quarter. This will help you and HCC monitor your project and identify if there are any potential problems at an early stage. If we do not receive progress reports on time, or they are not satisfactory, we may withhold or withdraw grant. The Progress Report must give a detailed account of the progress made against the forecasts made in your application and Contract. The final report should contain an overview of the work carried out during the lifetime of the project and include a description of the outputs which have been achieved, set against the targets in the Contract.

4.2 A Progress Report pro-forma is attached at Annex 1.

5. Preparing and submitting grant claims

5.1 It is essential that you keep accurate records of all expenditure on which you wish to claim grant aid. With some large and complex projects it is also advisable to open a new bank account specifically for the project.

5.2 The contract will specify the number and value of grant claims, with no more than 95% of grant released prior to the final claim. Claims for grant must be made on the OM 31 form which was supplied with your contract letter. You can claim only for eligible expenditure (as set out in your Contract) which you have incurred.

5.3 Expenditure is only eligible where it:

- contributes directly to the operation and delivery of the project as stated in the Contract;
- relates to items and activities which are listed in the Contract as eligible for funding;
- is attributable exclusively to the project.

5.4 You must provide the following documentation to support your claim. If any of this is not included or is not suitable it may delay or prevent us from paying your claim.

- Original invoices
- Timesheets, payslips and other evidence to validate any agreed inputs of own labour or in-kind-contributions
- Bank statements showing the invoice payments being made. For BACS payments additional breakdown will be required.
- Progress report
- Completion certificates such as building regulations, food hygiene certificates or HACCP documentation

- For projects involving >£200,000 grant the final claim must be accompanied by an independent accountants or auditors certificate.

5.5 Photocopied invoices are not acceptable. Invoices must be originals and accompanied by a bank statement which shows the payment being made referenced to the cheque number of the payment. Where an invoice includes a number of items, but only one or two are eligible, you must highlight the eligible items. We will only pay grant for the eligible items.

5.6 Cash payments must not be made for any items on which you wish to claim grant aid. This is because it is impossible to provide a satisfactory audit trail for cash payments. **Any cash payments included on your grant claim will be rejected.**

5.7 With BACS payments you need to supply the detail of the payments so that we can see the full audit trail.

5.8 All own labour costs or in-kind contributions must be supported by fully completed timesheets which must be signed-off by the project manager. The details of these arrangements will be specified in the Contract. An example timesheet is shown at Annex 2 to this report.

5.9 Be aware that gross negligence in the submission of grant claims, or the submission of misleading information, could result in criminal prosecution and recovery of all grants plus interest.

5.10 Where machinery or items of equipment have been purchased using hire purchase arrangements (or any other financial arrangement) you must provide evidence that you have taken full ownership, (which normally happens with the final hire purchase payment) before grant can be paid on the item.

5.11 HCC aims to pay complete claims within 1 month of receipt. You will need to bear this delay in mind if it will affect the cash flow of the project/business.

5.12 Second hand equipment can be grant aided, subject to the following conditions:

- The applicant must provide evidence that it has not been previously purchased with grant assistance
- It must be fit for purpose
- It meets current legislative requirements
- It provides value for money i.e. it is cheaper than a new equivalent.

6. Handling VAT

6.1 This is an area that can present many problems with grant claims. However, the contract with HCC will specify how VAT will be handled in this project, which is based on the advice provided by your professional advisers

when you first applied for grant aid. Project applicants are fully responsible for their own VAT affairs.

7. Retention of records and project inspections

7.1 All records relating to a project must be retained by the applicant for reference by DEFRA, EU and UK auditors for 6 years from the date of the final payment of grant.

7.2 These records should include all the papers connected with payments and receipts relating to grant support and information related to project targets. Records will need to be kept in an accessible place so that they can be referred to, or inspected by officials, as necessary throughout the 6 year period.

7.3 At least once during the life of your project HCC or an organisation appointed by SEEDA will undertake an inspection. The inspector will need to:

- Track expenditure through your records and bank statements to show that grant has been spent on the items of eligible expenditure for which it was intended.
- Inspect all buildings and equipment
- Interview the project manager
- Inspect staff records

7.4 You will need to keep a register of all of the assets of the project such as new equipment, etc. There are conditions in the Contract about how long items purchased with the RDPE award must be retained and kept in the use for which grant was approved and in good repair i.e. at least five years from the date of the final grant payment. You will therefore need to show that you know where the grant aided assets are, what they are used for and how they have been maintained.

7.5 You will need to provide evidence to confirm that your project is delivering the agreed outputs and outcomes as described in the Contract. This could include numbers of jobs created, additional profit generated etc.

8. What to do if the project experiences difficulties

8.1 It is vitally important to stay in close contact with your HCC contract manager and to keep them fully informed of progress and any problems that you might be experiencing. It is also vitally important to alert HCC as soon as you are aware of any problems that could affect your ability to fulfil the terms of your contract with HCC.

8.2 In some circumstances it might be possible for HCC to agree a variation to your project to enable you make changes to expenditure and/or the timetable. However, this must be approved by HCC in advance of any changes to the

project or commitment of expenditure – if you tell HCC after the event it is likely that grant claims will be rejected.

8.3 You are also legally obliged to notify HCC:

- of any changes in the ownership of the business that applied for grant aid
- of any changes in the ownership of the grant aided items
- if any grant aided assets are sold up to 5 years after your final grant payment (grant will be reclaimed pro-rata)
- or if the business ceases trading.



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[~] **Progress report form.**

Annex 1

1. Name and address of applicant

<p>Phone number:</p> <p>Email address:</p>
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2. Name and reference of project:

<p>Reference: SE</p>

3. Period being reported:

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4. General comments on progress with the project:

If you have any photos to show the progress of the project please include them

5. Progress with claims:

	Date forecasted in contract	Amount forecasted in contract	Actual date of claim	Actual claim amount	Comments to explain variances
Claim 1					
Claim 2					
Claim 3					

Comment on any issues that will affect future claim amounts and/or dates

6. Progress with milestones and outputs

	Progress to date in delivering these milestones
Milestone 1	
Milestone 2	
Milestone 3	
Output 1	

Etc	
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Comment on any issues affecting future achievement of milestones and outputs

7. Progress in delivering any Special Conditions

	Progress to date in delivering the special conditions noted in the HCC contract

8. Variations to the project

HCC expects all projects to be delivered in accordance with the contract letter. In exceptional cases HCC will consider variations to the project and contract but only if notified in advance. All changes to timing of claims, claim amounts, expenditure limits for specific items and the specification of items must be **approved in writing by HCC prior to you committing expenditure**. In this section please list any changes that you would like to ask HCC to consider. HCC will write to you to confirm whether or not the requested changes have been approved. **Without this approval you will not be grant aided on any variations to the contract letter.**

<p>Requested changes and reasons why.</p> <p>Any additional costs must be supported by three competitive quotes</p> <p>Impact of the changes on the delivery of the project outcomes and outputs</p> <p>Impact of the changes on the underlying business</p> <p>What would happen if this variation request was refused?</p>
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9. Changes to the business/organisation, ownership of assets, or project manager

You are required to notify HCC of any changes to the structure, ownership or financial stability of your business/organisation, and of the investments included in this grant aided project. All changes of business or asset ownership must be reported to HCC immediately – in the case of change of ownership there is no guarantee that HCC will continue with the grant support for the project and reclamation of funding might be considered. You must also notify HCC if the project manager is changed

Changes to the business or ownership of the assets:

Notification of change of project manager:

10. Any other comments

Signed:

Print name:

Position:

Date:

Do's and Don't's for completing your claim

- If in doubt contact your HCC contract manager
- Do not use correcting fluid on your claim form.
- The claim form must be signed by the person who signed the grant contract.
- Always complete the box on the claim form which states how much you wish to claim.
- Do not make cash payments for items on which you wish to claim grant.
- You must submit original invoices that fully describe the work done or the items purchased with bank statements showing the payment of each invoice. The payments must be referenced to the appropriate cheque number.
- Organise evidence of expenditure logically, clearly number invoices in sequence and record the number on the claim form to allow cross-reference.
- It is preferable that a separate bank account is opened for the duration of the project. This avoids confusion with operating within the bank accounts for the existing business.
- Where an invoice contains a number of items, of which only a few are eligible for funding, please highlight those items included in the claim.
- You can only claim grant aid on items identified in the grant contract.
- For changes in levels of expenditure, inclusion of new items and changes in the profile of your claims you must apply to HCC for a variation to your scheme, and this should occur before spending money and before signing contracts to buy. If your approved items of expenditure do not cost as much as you expected you cannot top-up by spending on new items without first applying for a variation to your scheme..
- A Progress Report must accompany the claim.
- You must keep to the agreed claim profile or risk losing grant aid. Notify HCC immediately you suspect slippage in claim dates as there could be scope to vary the timing of your claims.
- Applicants do not have to use the suppliers, builders etc that provided the original quotes for work, but they must keep to the agreed specification and costs unless a variation has been agreed with SEEDA.
- In-kind contributions must be fully recorded on the HCC in-kind timesheet proforma provided with this guide and they must be signed by the person doing the work and the project manager.
- Works on which grants are being claimed must be completed or have reached a recognisable and definable stage of completion. All final claims can only be made when the works are fully complete.
- All applicants have to take positive actions to publicise the grant award, and provide evidence of this when claims are submitted.
- Progress reports must include comments on achievement of the key performance measures noted in the offer letter and on the compliance with any special conditions noted in the offer letter.
- You are advised to keep copies of original invoices submitted in claims, for your own records. Original invoices will be returned.

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- You are advised to send claims by recorded delivery

By keeping an eye on the detail, and following the advice given to you in this guide and at the Project Manager's workshop, you will help us to deal with your claim promptly.

By being able to deal with a claim promptly means you receive your funding sooner than later – the best incentive of all