

NATO

SCIENCE FOR PEACE - PROGRAMME

PROJECT MANAGEMENT HANDBOOK

Edition May 2006

Subject to modification by the SfP Programme Office
Co-Directors should regularly consult the electronic version available through Internet:
<http://www.nato.int/science> (information for grantees)

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ABBREVIATIONS

a.s.a.p. as soon as possible

IPR	Intellectual Property Rights
MEF	Mission Expense Form
NATO	North Atlantic Treaty Organisation
NPD	NATO country Project Director
PPD	Partner country Project Director (equally used for Partner as well as Mediterranean Dialogue countries)
PRF	Payment Request Form
R&D	Research and Development
SfP	Science for Peace

GLOSSARY

Countries

NATO countries (26):

Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Turkey, United Kingdom and United States.

Mediterranean Dialogue countries (7):

Algeria, Egypt, Israel, Jordan, Mauritania, Morocco and Tunisia.

Partner countries (23):

Albania, Armenia, Austria¹, Azerbaijan, Belarus, Bosnia & Herzegovina, Croatia, Finland¹, Georgia, Ireland¹, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Russian Federation, Tajikistan, the Former Yugoslav Republic of Macedonia², Serbia, Sweden¹, Switzerland¹, Turkmenistan, Ukraine and Uzbekistan.

Grant Letters

Following the "initial" Grant Letter, SfP funds are granted in EUR step-by-step through "supplementary" Grant Letters depending on the need and advancement of the Project. The maximum that will be granted is the estimated total NATO budget mentioned in the initial Grant Letter.

Mission Expense Form (MEF)

After each SfP related travel and training (mission) that will be paid from SfP funds a MEF has to be completed and signed by the traveler.

NATO Expert Panels

NATO's Security Through Science Programme has four Expert Panels:

Environmental Security Panel (ESP), Information and Communication Security Panel (ICS), Chemistry, Biology and Physics Panel (CBP) and Human and Societal Dynamics Panel (HSD). Each Panel consists of an independent group of experts selected by NATO's nations. They meet on a regular basis in order to evaluate SfP short proposals and SfP Project Plans. SfP proposals will be allocated to the Panel that suits best the topic of the proposal.

NATO Per Diem Rates

The per diem rates are the maximum amounts that can be reimbursed for hotel and living costs when on a SfP mission. The SfP rules must be applied as explained in Annex 2 (hotel

¹ Partner countries participation in Science for Peace on a self-funding basis.

² Turkey recognises the Republic of Macedonia with its constitutional name.

plus 50 EUR living costs per day on mission), where the total costs must not exceed the per diem rate x number of nights on mission. The rates vary per country. An update of the rates is available on the Web: www.nato.int/science (go to "information for grantees")

Starting date – ending date

The date of the first "initial" Grant Letter is the official starting date. The Co-Directors should let the SfP Programme Office know the date of the effective starting date when the activities effectively started (usually with a kick-off meeting) and the estimated ending date.

The NATO country Project Director (NPD)

The NPD is the person from a NATO country who has been chosen by the applicants to maintain the primary financial responsibility and assume the co-ordination together with the PPD.

The Partner country Project Co-Director (PPD)

The PPD is the person from a Partner or Mediterranean Dialogue country who has been chosen by the applicants to be responsible for the co-ordination together with the NPD.

Payment Request Form (PRF)

The PRF is like a bank transfer form that is needed for each money transfer from the SfP grant at NATO to any account outside NATO. A PRF is only valid if signed by the NPD.

The Planning Grant

A grant awarded by NATO that should cover the cost incurred for preparing the full Project Plan.

Project Co-Directors

Persons involved in the project, who are responsible for a team and who have an assigned NATO budget (including the NPD and PPD).

Participants

Persons involved in the project without an assigned NATO budget.

Project Plan

The document in which the applicants describe their project, including the objectives, milestones, tasks and budget. The approved version of the Project Plan will become part of the contract between NATO and the Co-Directors.

Science for Peace (SfP)

SfP is a mechanism of the NATO "Security Through Science" Programme. SfP is supporting applied R&D projects.

SfP Programme Director

The SfP Programme Director is the staff member located at NATO Headquarters, who is responsible for the management of Science for Peace.

PURPOSE AND SCOPE OF THIS SfP PROJECT MANAGEMENT HANDBOOK

This publication is the primary reference handbook for co-operating Project Co-Directors of approved Science for Peace (SfP) projects. Its purpose is to provide specific project management guidelines in accordance with NATO rules.

These guidelines, compiled in this ***SfP Project Management Handbook*** (hereafter referred to as 'the Handbook'), are to be used in conjunction with the previously issued ***Guidelines for Project Proposals*** and ***Guidelines for the Preparation of Project Plans***, including the annexes thereto.

Administration of SfP by NATO is sufficiently flexible to meet the specific needs of each project. However, it is necessary to follow uniform procedures which are described in this Handbook. Also, applicable administrative procedures of the institutions and laws of the nations in which the work is carried out are to be observed by the Project Co-Directors in controlling each individual project.

Addenda to this Handbook, additional requirements and special news related to SfP will be published occasionally through SfP Project Director's Bulletins, available at the NATO Science Web-site at <http://www.nato.int/science> (go to "information for grantees")

1. RESPONSIBILITIES OF THE PROJECT CO-DIRECTORS

The NATO Science for Peace (SfP) sub-programme is a non-military co-operation activity that comprises NATO, Partner and Mediterranean Dialogue countries (countries see Glossary). SfP projects are of a co-operative nature, jointly carried out by scientists and end-users from NATO and Partner countries.

The person from the NATO country and the person from the Partner country responsible for the preparation of the Project Plan and its presentation to the Panel are referred to as the NATO country Project Director (NPD) and the Partner country Project Director (PPD). In case more countries and/or institutions are involved, the responsible persons with an assigned SfP budget, including the NPD and the PPD, are further referred to as Project Co-Directors. Further people involved in a SfP project (whether junior or senior) who do not have an assigned SfP budget are hereafter referred to as participants. They are not considered as Project Co-Directors.

Each Project Co-Director is responsible for the planning (including financial matters) and progress of the work performed in the framework of the SfP Project in his/her institution.

Within the general terms of SfP outlined in the *Guidelines for Project Proposals*, the *Guidelines for the Preparation of Project Plans* and the *Funding Provisions and Terms and Conditions for the Administration of Science for Peace Projects* attached to the Grant Letter, the SfP Programme Office gives the NPD and the PPD joint responsibility and authority for the overall management of the Project.

The NPD and PPD are jointly responsible for project reporting as described in *Section 8* of this Handbook. At the start of the Project, the NPD and the PPD agree between themselves who will be in charge of the preparation and timely submission of reports to the SfP Programme Office as well as to other persons, such as the NATO Consultant and members of the Intellectual Property Rights Committee, if applicable.

The ultimate decision for financial matters lies with the NPD. Consequently, approval from the NPD is requested for all expenditures and the NPD will be in charge of the financial part of the six-monthly Progress Reports (see *Section 8.1*).

2. USE OF NATO SCIENCE FOR PEACE FUNDS

Each Project Co-Director is responsible for the best use of the NATO SfP project funds in accordance with the general terms of SfP and, in particular, with the Project's budget forecast as approved by NATO through the Grant Letters. During the course of the Project it may occur that changes in the budget forecast are required for which approval by the NPD must be sought. In case of major changes (in the magnitude of **5,000 EUR** or more), approval by the SfP Programme Director is needed. The revised budget figures (as approved either by the NPD or by the NPD and the SfP Programme Office) should be reflected in the subsequent budget tables (*Annex 4* of the Handbook) included in the financial part of the Progress Reports (see *Section 8.1*).

Items for which NATO SfP funds can be used are listed under item 2.1 below. Ineligible expenses are listed under item 2.2. If in doubt, advice should be sought from the SfP Programme Office.

Misuse of funds may lead to the immediate termination of the entire Project and to legal prosecution.

2.1 EXPENDITURES THAT ARE **ELIGIBLE** FOR FUNDING THROUGH SFP FUNDS

The principle rule is that SfP funds should cover direct project-specific costs only. More specifically, SfP funds may be used -

a) - by all Project Co-Directors for:

- travel abroad -within the region of NATO, Partner and Mediterranean Dialogue countries- by project participants for meetings, consultation, attendance at conferences, seminars and workshops. NATO will reimburse air or train tickets and taxis to and from airports and train stations. Travel by private car will be reimbursed based on the equivalent of a first class train ticket.
- domestic travel by train, aeroplane or bus (excluding daily travel and local travel).
- domestic travel by car in order to carry out specific tasks that would not be possible by or that would be more expensive through other means of transportation. In such cases real costs (e.g. petrol) will be reimbursed. A rental car needs special approval by the SfP Programme Office.
- project-specific consumables and spare parts.
- limited expenses for publication of scientific results of the project and for making the project's activity visible to a broader community (e.g. 500 EUR for the establishment of a Web page for the project).

b) - by Project Co-Directors from Partner or Mediterranean Dialogue countries as well as from Bulgaria and Romania for:

- the purchase of equipment, computers and consumables/spare parts.
- transport costs necessary for the shipment of a procurement.
- modems, specific software, leased line service and subscriptions if needed for adequate communication between project locations.
- training abroad (including the travel necessary to attend the training) for Co-Directors or participants involved in the Project.
- experts and advisors from a NATO country in order to solve a specific problem (for a maximum fee of 250 EUR and 10 days per expert per year).
- the purchase of journals and books which are required for the Project.
- stipends for a maximum of 5 young key researchers involved in the Project per Co-Director. The stipendiary must be less than 40 year at the time when they start working in the Project. The *maximum* amounts of monthly stipends are: 100 EUR for support personnel; 150 EUR for researchers without PhD; and 200 EUR for researchers with PhD.
- limited support for IPR protection (up to 1,000 EUR per patent).

c) - by the NATO country Project Director (NPD) for:

- limited administrative expenses associated with the overall management of the Project. In total, these must not exceed 7500 EUR for the entire project. In any case only direct costs can be charged. Charging of lump sums or overheads will not be accepted.

2.2 EXPENDITURES THAT ARE NOT ELIGIBLE FOR FUNDING THROUGH SFP FUNDS

NATO SfP funds cannot be used for:

- salaries or fees for advisors/consultants from Partner or Mediterranean Dialogue countries or for the advice sought from participants involved in this or another SfP Project.
- general consumables and services which are readily available in the participating countries.
- overhead expenses such as for construction, rental or use of buildings or facilities and depreciation of equipment already available, the maintenance of premises and cost of consumables, such as electricity and heating oil.
- flat rate for overhead expenses used for the administration of SfP projects or funds.
- daily and local travel by car within a short distance (25 km one way).
- car rental (only exceptional and with sound justification).
- the purchase of vehicles.
- office equipment and office consumables, copy and fax machines, etc..
- payment of any customs duty or taxes which might be levied on imported materials.
- payment of value-added taxes (VAT).
- general language or computer courses.
- translation of documents.

It is expected these expenses be covered through national sources.

3. PAYMENTS THROUGH NATO SCIENCE FOR PEACE FUNDS

All NATO SfP funds¹ are granted in Euro (EUR) step-by-step to a specific SfP project depending on the project's needs and progress and the financial plan at NATO. These step-by-step grants are made through the issue of a Grants Letters of which the *originals* are sent to the NPD.

A grant is only legally available if the *original* Grant Letter was circulated to and signed by all Project Co-Directors (and the head of their institutions, if applicable) and if the complete *original* is returned to the SfP Programme Office.

The amount cited in the first Grant Letter as the 'estimated overall amount' is the maximum total support which may be granted by NATO for the entire Project, provided its progress is satisfactory and the project's funds are spent according to the rules given in this Handbook and in the Grant Letter(s).

SfP grants remain at NATO under the jurisdiction of NATO's Financial Control Office. Payments from these grants are requested through Payment request Forms (PRF) (see *Annex 1* of this Handbook). Payments are deducted in EUR from the amount awarded to the Project through the Grant Letters².

3.1 RULES FOR PAYMENTS FROM SFP FUNDS

a) Payment of items with a value of less than 5,000 EUR

From the project grants, each Project Co-Director, who has been assigned a specific budget, may request (through a PRF) a "ONE-OFF ADVANCE" in the amount of 7,500 EUR (or less depending on the budget forecast). The account, to which this advance is transferred, is hereafter referred to as "the operational account". The Project Co-Director concerned should pay all items with a net value of less than 5,000 EUR from the operational account.

When the balance of the operational account is below 1,250 EUR (or the equivalent), the Project Co-Director concerned may request (through a PRF) the "REPLENISHMENT" of the operational account in the exact amount of funds paid from the account. The spending has to be documented by an overview table (*Annex 1c and 1d*) and back-up documents.

When the balance on the operational account does not cover a large purchase, the Project Co-Director concerned may request (through a PRF) an "ADVANCE FOR A SPECIFIC ITEM".

b) Payment of items valued at 5,000 EUR or more

¹ In January 2002, all NATO funds have been converted into EUR and all new Grant Letters are made be in EUR.

Items with an estimated net value of 5,000 EUR or more will be paid by NATO from the project grants directly to the account of the vendor. The procurement procedure (competitive bidding and negotiation of a step-by-step payment) is described in detail in *Section 4* of this Handbook. Each payment step requires a PRF.

The SfP Programme Office may be flexible with respect to rule a) if a Co-Director from a Partner country has to pay a vendor in a NATO country: should it be more reasonable that a payment be made by NATO directly to the vendor (instead of using the operational account in the Partner country) - even if the item is valued below 5,000 EUR - the Co-Director concerned may request this through a PRF.

All payments must be in accordance with *Section 2* of this Handbook, the approved budget forecasts, and the Grant Letter(s).

3.2 SUBMISSION OF PAYMENT REQUEST FORMS (PRF)

For each payment from SfP project grants, which remain at NATO under the jurisdiction of NATO's Financial Control Office, a completed PRF (see *Annex 1* of this Handbook) is needed. The PRF serves as a formal request for a payment from NATO funds as well as a 'bank transfer form'. PRFs are only accepted by NATO (and by the bank NATO is working with) if correctly and legibly completed, signed by the NPD, and if the required back-up documents are attached.

Payment requests are only considered if they are in accordance with the rules and if they follow the instructions given in this Handbook. Payments from project grants can only be made if fully covered by the balance remaining at NATO.

All PRFs (with the related back-up documents attached) must be sent to the NPD who, if he/she agrees, will sign and send the complete set of documents to the SfP Programme Office for execution at NATO. For easy reference, the NPD should give each PRF that will be sent to NATO a sequential number that he/she should communicate to the Co-Directors. NATO provides an on-line service through Internet for the follow-up of PRFs that have been received by NATO. With the submission of the first PRF the Co-Directors will receive their specific "PRF log-book" address.

NOTE: Do not start renumbering for each Project Co-Director or year! In order to avoid confusion, you should work only with one original PRF per payment request having one (unique) current number. Do not send copies of PRFs or "second" originals. (Until the payment is actually made by NATO's bank, the original PRFs can still be modified by the NPD or the SfP Programme Office, if needed.)

3.3 THE OPERATIONAL ACCOUNT

The operational account is a special account established by each Project Co-Director for the SfP Project. It should be named "NATO SfP-SHORT TITLE" and should be managed under the jurisdiction of the affiliated institution. (Usually the institution has a general bank account to which NATO funds are transferred which are then registered on a separate project account.) An operational account established under the sole responsibility of the Project Co-Director is an exception, should still include the project's short title, and requires the authorisation from the SfP Programme Office. Payments from the operational account should be made by bank transfer or cheque. Cash withdrawal from this account should be an exception and must be for specific use only. All movements on this account must be strictly related to the SfP project and justified by proper back-up documents (see *item 3.4* of this Section). It is forbidden to use the money on this account as venture capital or for any other business.

The bank vouchers and statements of the operational account have to be filed in chronological order and the message given for each movement must clearly mention the purpose of the payment. This 'voucher file' must be available for audit by NATO or local authorities at any time.

Before the establishment of the operational account, the Project Co-Directors, especially from Partner countries, should investigate the credibility, reliability and conditions (e.g. bank charges, delays of transfers) of the possible banks. Experience has shown that the services provided by banks vary greatly, not only between different countries but also within the same country. It is essential that any chosen bank be experienced and fully capable of conducting international transactions in timely manner. If in doubt, advice should be sought from the NPD or the SfP Programme Office.

a) One-off advance

Once the operational account has been established, the Project Co-Director concerned completes a PRF following the instructions given in *Annex 1b* of this Handbook, and requests the transfer of the "ONE-OFF ADVANCE" in the amount of 7,500 EUR (or less, depending on the budget

forecast). The currency of the transfer (to be given under item (4) on the PRF must be one of the currencies marked with an asterisk.

In the case that the operational account is not managed under the jurisdiction of the affiliated institution but under the sole responsibility of a Project Co-Director, the SfP Programme Office has the authority to request at any time a copy of the "Powers of Attorney" form showing the authorised signatories for the operational account as approved by the bank.

The PRF (with the required documents attached to it) is sent to the NPD who signs and sends it (if he/she agrees with the request and choice of the bank) to the SfP Programme Office. The latter will finally decide on whether a Project Co-Director shall receive a "ONE-OFF-ADVANCE", and in which amount.

b) Payments and overview of payments

The Project Co-Director should now exercise the authority to pay items from this operational account if the net value is less than 5,000 EUR (excluding VAT, customs duty). The Project Co-Director must keep an overview of all payments in the form of a table "Overview of Payments from the Operational Account" (outline and example see *Annex c and 1d*) to which all related original back-up documents must be attached. The Co-Director must give each back-up document a sequential reference number to which the items listed in the overview table must refer. This reference number should also be repeated on the voucher(s) of the operational account showing the movement(s) related to the back-up document.

c) Advance for a specific item

In the case that the balance on the operational account does not cover the full price of a purchase, the Project Co-Director may request through a PRF an "ADVANCE FOR A SPECIFIC ITEM" in the exact amount as quoted as the net price on the proforma invoice of the purchase. The proforma invoice must be attached to the PRF.

ATTENTION: When the purchased item was received, the original invoice must be sent to the SfP Programme Office with an indication that it replaces the proforma invoice which was attached to an already paid PRF (give the current number of the PRF!). On the original invoice, the Project Co-Director should certify that the item was delivered and the vendor paid.

d) Replenishment of the operational account

In order to request the "REPLENISHMENT" of the operational account, the Project Co-Director should complete a PRF in the amount of the expenses which have been incurred for the SfP Project since the last replenishment. Attached to this PRF must be an overview table listing the items paid from the operational account. (For the first replenishment request, the overview table will list all items which were paid since the one-off advance. For the following replenishment requests, the table will list the items paid since the last replenishment request.) Examples of the required overview table are given in *Annex 1d*. Normally, replenishments are always requested in the same currency (in which the operational account is working). The required back-up documents (see *item 3.4* of this Section) have to be attached to the overview table.

The whole set of documents is sent via the NPD to the SfP Programme Office for payment from the SfP project funds.

Towards the end of the project each Co-Directors should only request the amount that he/she will still need for completing the activities. For a last replenishment, a list of planned items should be attached and a "partial replenishment" may be requested, if appropriate.

At the end of the SfP Project, a last overview table with back-up documents must be sent to the SfP Programme Office for closing the one-off advance. In case a positive balance will remain this would have to be returned to NATO.

3.4 BACK-UP DOCUMENTS

A back-up documents is a document proving and justifying a payment (such as a (proforma) invoice, the table "Overview about payments from the operational account" and receipts attached to it, or a "Mission Expense Form" (MEF)). The SfP project number must be written on all back-up documents. (Proforma) invoices must be issued in the name of the SfP Project (i.e. must clearly show the project number and the short title "NATO SfP - SHORT TITLE"). It should be addressed to the Project Co-Director who will receive the items. If needed for VAT exoneration, invoices may be exceptionally addressed to NATO, but must be sent to the Co-Director concerned (not to NATO!).

Please keep in mind that SfP funds can only be used to cover the net price (i.e. the price without VAT or customs duty). Back-up documents may be issued with or without showing the VAT amount. In any case, invoices of items valued at **250 EUR** or more must have a statement “this price is without VAT” or an indication of the net price. (This rule may be ignored for items valued below 250 EUR, any type of mission expenses and honoraria for experts/advisors.)

If the item purchased is identified only by a catalogue number or by a proprietary name, the Project Co-Director should name (give a description of) the item. If the invoice is in a language other than English or French, a translation of the most relevant items should be given directly on the original document (legible handwriting will be accepted).

The vendors should be instructed not to send quotations, invoices or any other correspondence to the SfP Programme Office, but only to the responsible Project Co-Director. Any correspondence sent by the vendor to the SfP Programme Office will be returned to the sender!

For the payment of PRFs, the following documents are required as back-up documents:

- 1,000 EUR “ADMINISTRATIVE EXPENSE ” which the NPD may request once per year:
 - no back-up document
- For the “ONE-OFF ADVANCE” which every Co-Director may request once at the beginning of the project
 - No back-up document when requesting the advance. Back-up documents are required at the end of the project in order to close the advance.
- For the “REPLENISHMENT” of the operational account:
 - the table “Overview of Payments from the Operational Account” dated and signed by the Project Co-Director concerned and the following back-up documents:
 - For each mission (travel/training): the original Mission Expense Form, completed and signed by the traveller. (The original ticket-stubs, receipts, etc. are not sent to the SfP Programme Office, but are kept on file with the Project Co-Director concerned, attached to the copy of the related Mission Expenses Form.)
 - For stipends, a receipt (giving clearly the period and monthly amount paid) signed by the stipendiary and a short cv (1/2 page giving birth date and contact details).
 - For all other items with a net value of less than 5,000 EUR: copies of invoices/receipts for procurements valued at 250 EUR or more. (Back-up documents for procurements below 250 EUR are not sent to the SfP Programme Office, but are kept on file with the Project Co-Director concerned.)
 - Components, which are assembled in one piece of equipment, should not be split up. If done so, copies of all invoices for these components must be attached to the table “Overview of Payments from the Operational Account”, if the total is more than 250 EUR (even if the single components or invoices are below 250 EUR).
- For ITEMS VALUED AT 5,000 EUR OR MORE (paid by NATO directly to the vendor):

These are usually paid step-by-step, e.g. 50% in advance and 50% upon delivery. For items valued at **12,500 EUR** or more (and whenever deemed necessary), a three-step payment procedure should be negotiated, e.g. 50% in advance, 40% upon delivery and 10% upon successful installation.

Each payment step requires a PRF. All PRFs (signed by the NPD, if he/she agrees) necessary to make the two or three payment steps must be sent to the SfP Programme Office in one envelope, usually together with the competitive bidding documents (see *Section 4*). The SfP Programme Office will pay the PRFs only upon receipt of the required back-up documents, which are as follows:

 - a) For the first payment step (advance): the quotation or proforma invoice of the chosen vendor, a table comparing the different offers, underneath which a brief justification of the choice is given. (Normally, the quotation and the table with the justification are attached to the PRF for the first payment step. The PRFs completed for the next payment steps - without back-up documents - are already enclosed in the same envelope!)

- b) For the second payment step: the original invoice with a statement written on it that the item was delivered in good condition and that the second payment step is now due (give current PRF number!). The Project Co-Director can send this invoice directly to the SfP Programme Office where it will be attached to the related, pending PRF which will then be paid.
- c) For the third payment step (if applicable): a statement (by e-mail or fax to the SfP Programme Office) certifying that the item was successfully installed and that the third payment step is now due (give current PRF number!).

Each original back-up document which has been paid from SfP funds must be marked with '**SUBMITTED TO NATO FOR PAYMENT**' (in handwriting or by using a stamp). This 'marking of originals' has to be done before the copy to be attached to the PRF is made.

Copies of the PRFs and all related original documents (or copies in case the originals were sent to the SfP Programme Office) have to be kept on file with the Project Co-Director concerned. The NPD should keep copies of all PRFs that were sent to the SfP Programme Office. It is recommended to follow the SfP Programme Office filing system and file the PRFs in numerical (instead of chronological) order, whereas the bank vouchers (showing the movements) of the operational account should be filed in chronological order. These files have to be available for audit by NATO staff or local authorities at any time.

4. PROCUREMENT OF EQUIPMENT AND OTHER ITEMS OF A RELATIVELY HIGH VALUE

Procurement of equipment, consumables, spare parts and other items for which SfP funds are used should be from vendors (suppliers) or manufacturers located in NATO, Partner or Mediterranean Dialogue countries. This requirement may be waived by the SfP Programme Director in special cases, when a duplication or upgrading of existing equipment makes it necessary to take a vendor from a country other than a NATO or Partner country, or if the price from that country is substantially (>25%) lower.

4.1 TAX AND CUSTOMS DUTY EXONERATION

As described under *Section 2.2*, SfP funds cannot be used for the payment of VAT, customs duty on imported equipment or any other taxes. It is the responsibility of the Project Co-Director concerned to make sure that SfP funds are used to pay only the net price of items and to clear imported equipment from customs.

Based on the Convention of Ottawa in 1951, NATO is exonerated within the Alliance for all taxes and has no VAT registration number. Similar agreements on tax exoneration of internationally supported research activities in Partner countries have already been established or are currently being discussed. Vendors located in a NATO country usually know the necessary procedure for tax exemption of items. However, the tax-exoneration certificate in *Annex 9* may be helpful for clarification. In order to support the exemption from customs duty, a Customs Clearance Letter issued by the SfP Programme Office may be requested for specific items. *Annex 10* of this Handbook gives an example of a standard Customs Clearance Letter.

4.2 COMPETITIVE BIDDING

It is to the Project's benefit to use a competitive bidding procedure for purchases of a relatively high value. For purchases of a value below 12,500 EUR, it is desirable but not compulsory and telephone inquiries may be sufficient to establish the best price and delivery conditions.

For purchases valued **12,500 EUR or more**, a formal competitive bidding procedure is compulsory. The following paragraphs cover requirements and recommendations for implementing such a procedure. In all cases, the objective is to establish a level of assurance (consistent with the amount of money being expended) that the item purchased will meet the Project's requirements at the lowest price.

The competitive bidding procedure is performed by the Project Co-Director whose research team will use the equipment and materials to be purchased. The selection of the vendor is then proposed to the NPD (if not preliminary involved) who has the authority to question the decision and request further information.

Provided the approval of the NPD has been given, the Project Co-Director concerned may purchase the chosen items from the operational account, if the item's value is below 5,000 EUR (see *Section 3*). For items valued at 5,000 EUR or more, the approval of the SfP Programme Office is required and the vendor will be paid directly by NATO.

Competitive Bidding Procedure (compulsory for items valued at 12,500 EUR or more):

To assure the best use of the resources for the Project and to treat vendors fairly when making large purchases, it is necessary to follow three basic steps:

- i. Prepare a Statement of Requirements, beginning with a brief description of the application of the item being purchased. If sufficient knowledge exists, this can be in the form of a complete physical specification, or it might be a performance specification describing in detail what the device, instrument, pilot plant, etc. is expected to do. Other requirements, depending on the specific case, might include the desired delivery schedule, the need for maintenance and operating instructions, installation assistance, training of operators, spare parts data, and the availability of local maintenance and spare parts.
- ii. Issue a written Request for Bids, enclosing the Statement of Requirements, to at least three qualified vendors or manufacturers. Determining vendors' qualifications may require some investigation and, possibly, assistance from experts such as the NATO Consultant (where a NATO Consultant has been appointed). The Request for Bids should require that proposals be submitted before a specific date, in sealed envelopes, to the Project Co-Director.
- iii. Select the vendor. On the day after the due date, the Project Co-Director will open and evaluate the bids. If only one or two bona fide bids have been received a new request for bids should be considered. The Project Co-Director may call on expert assistance (including the NATO Consultant), if necessary, in evaluating the proposals. If clarification or additional information is needed from the bidders, this should be submitted in writing as quickly as possible.

Evaluation of the proposals should be documented in a suitable table comparing the prices and significant features and giving a brief justification for the selection of the vendor. The most favorable terms of payment should be negotiated (*see below item 4.3*) before approval from the NPD and the SfP Programme Office is sought. For items valued at 5,000 EUR or more, the official order should not be placed with the selected vendor, before the NPD and the SfP Programme Office have given final approval.

4.3 TERMS AND PROCEDURE OF PAYMENTS

For purchases of a relative high value it is to the project's benefit to negotiate the deferral of some or all of the payment until delivery of the items. In cases where installation and startup assistance or training is included, a portion of the final payment (usually 10%) should be deferred until these services are satisfactorily performed.

For purchases valued below 12,500 EUR, a two-step procedure may be sufficient (e.g. 50% in advance and 50% upon delivery). For purchases valued at 12,500 EUR or more (and whenever deemed necessary), a three-step payment procedure should be negotiated (e.g. 50% in advance, 40% upon delivery and 10% upon successful installation).

For approval and payment of procurements valued at 5,000 EUR or more, the following set of documents must be prepared and sent (in one envelope) to the NPD:

- A PRF completed for the first payment step (usually an advance of 50% of the total price). Attached to this PRRF must be the comparative table with the brief justification for the selection of the vendor and the related quotation.
- In order to ensure timely payment of the following payment steps, appropriate PRFs for the next steps should already be enclosed in the envelope. They will be held by the SfP Programme Office and processed only upon notification and receipt of the required back-up documents (*see Section 3, item 3.4.*).
- The relevant quotations from the other vendors should be enclosed in the envelope.
- Any further explanation, such as where to find the item in the budget forecast table, should be given in an accompanying note.

The NPD will verify the documents, sign each PRF (if he/she agrees with the request) and will give each PRF a current, sequential number (for easy reference). The current numbers of the different payment steps of a procurement should be sequential and should be communicated to the Project Co-Director concerned. The whole set of documents will then be sent to the SfP Programme Office.

After approval by the SfP Programme Office, the Project Co-Director concerned should place the official order with the selected vendor and unsuccessful bidders should be informed a.s.a.p. At the time the SfP Programme Office will request payment of the PRF for the first payment step.

It must be noted that it is not possible to issue a letter of credit (L/C) to cover payments. If the Project Co-Director concerned can not come to an agreement with the vendor, it is in most cases sufficient if either the NPD or staff of the SfP Programme Office discuss this matter with the vendor on the 'phone. If the vendor insists on a document, which guarantees deferred payments, a letter can be issued and sent by NATO to the Project Co-Director who is in charge of the negotiation with the vendor.

5. TRAINING AND TRAVEL (MISSIONS)

Expenses for travel and training (hereinafter referred to as "missions") by researchers involved in the Project and by advisors/experts to assist in the Project, are paid according to NATO's regulations for missions as outlined below and in *Annex 2a*. Since the total expenses for single missions are expected to be well below 5,000 EUR, payments for missions are normally made from the operational account.

The SfP Programme Office encourages that scientists involved in the project are sent to different conferences/meetings with the objective to obtain the maximum information and to represent their institute and the SfP Project at different places (rather than that a group of people from the same institute participates at the same event.) It is recommended that Project Co-Directors carefully check who should travel where and for what purpose. It may, however, be an advantage if a project meeting coincides with an important conference at which several people of the same institute may want to participate. If this is the case, it should be reflected in the purpose description of the Mission Expense Form (MEF) (outline and example see *Annex 2b and 2c*).

All missions for which expenses shall be charged to SfP funds must be approved by the NPD prior to the mission. If a mission shall be performed outside EAPC countries or if its duration shall be exceeding 30 days, explicit approval by the SfP Programme Office is required prior to the mission. In any case, SfP funds can only be used to pay for short missions (travel and training) periods not exceeding 3 months.

The appointment of experts/advisors (from NATO countries) has to be discussed with the SfP Programme Office if it involves an expert/advisor fee. The rules for reimbursement of mission expenses as described in *Annex 2* are also valid for experts/advisors.

Domestic travel shall only be paid from SfP funds if it is necessary to carry out a specific task, and if the distance is significant (more than 25 km for one way). It is expected that for such domestic travel, use of bus, train or plane be made. Domestic travel by car can only be reimbursed on an exceptional basis (if there is no other possibility or if it reduces the costs significantly compared to other means of transportation) up to an amount equal to the price of a first class train ticket (per person).

If a mission advance (up to 75% of the estimated total expenses for a mission) shall be paid from the operational account to a traveller, a breakdown of the estimated expenses must be established for which a MEF (*Annex 2b*) should be used as a back-up document.

In order to request the reimbursement of mission expenses, the traveller completes and signs a final MEF to which he/she attaches all required receipts (the bus-, train-, or air-ticket stubs; hotel bill, receipts for possible additional expenses). Please follow the example in *Annex 2c*.

For mission expenses, the VAT exemption rule shall be waived (i.e. the expenses such as for tickets, hotels, airport taxis, visa, are paid and reimbursed from SfP funds including the VAT).

It should be noted that NATO can not subscribe to any health or accident insurance on behalf of the organisation or its employees, nor accepts any liability for death, injury or illness related to project activities (see *Item 2.2* of the Grant Letter).

6. KNOWLEDGE TRANSFER

6.1 PROJECT MEETINGS AND SITE-VISITS

In order to ensure adequate management of SfP projects, regular project co-ordinating meetings with all key participants, including the end-users, are necessary. A possible visit of the NATO Consultant, if one has been assigned to the Project, should coincide with such a project meeting. The SfP Programme Office may consider to also sending a staff member or a member of the SfP Steering

to such meetings, and should therefore be informed about the date and place and items on the agenda.

Since the implementation of the project results in the Partner country(ies) is very important for the success of a SfP project, the SfP Programme Office highly encourages that the (industrial or environmental) end-user is participating from the beginning of the Project in these project meetings. In addition, regular site visits to the end-user(s) should be performed. Consequently, these meetings should take place in the Partner country concerned.

Following the meeting, a brief report will be sent (by e-mail) to the SfP Programme Office and NATO Consultant, if one has been assigned, in which the items "Problems" and "Request for Action to be taken by the SfP Programme Office" form the last two paragraphs.

6.2 ADVISORS AND EXPERTS

In addition to the assistance provided by the NATO Consultant (if assigned), Project Co-Directors may need other qualified experts and advisors in order to solve specific problems or to facilitate the transfer of knowledge from advanced research centres to members of the project team. In addition to bringing their personal knowledge and experience to the Project, these experts may also form links to other institutions in their home countries and can often assist in setting up training opportunities beneficial to researchers, in particular to the young scientists and engineers, involved in the Project.

A Project Co-Director may engage experts and advisors for a limited time (maximum 10 days per year), if their expertise in a certain field is needed. The necessary travel and living expenses for their visits to Partner countries are reimbursed in accordance with SfP Programme procedures. The Project Co-Directors should give the experts/advisors a copy of the necessary documents (*Section 5 and Annex 2*).

In exceptional cases, a fee may be paid to an expert/advisor. This fee has to be negotiated by the Project Co-Directors in agreement with the NPD and can only be paid to experts/advisors from NATO countries! All contracts with experts/advisors including a daily fee, which shall be paid from the Project's funds, need the approval of the SfP Programme Office before their appointment. **Honoraria can not exceed the 250 EUR per working day** and must be acknowledged by a receipt signed by the expert/advisor. Participants of a SfP project, whether from the same or from another project, can not be paid a consultant fee.

6.3 CONFERENCES, SEMINARS AND WORKSHOPS

Dissemination of knowledge generated by the Project to the other research institutions involved in the Project and to potential users of the subject technology is an important function of each SfP project. Project Co-Directors are encouraged to use all effective means to accomplish this goal. Periodic seminars among project participants and their associates and advisors are particularly useful. A conference with papers and posters, open to potential end-users (industry and others) should be organised near the end of the Project and brochures should be printed and circulated to potential users and to interested research centres.

6.4 PUBLICATIONS AND VISIBILITY OF SfP PROJECTS

Provided that precautions have been taken with respect to Intellectual Property Rights (IPR), it is recommended that results obtained in the framework of the Project be published in local and international scientific journals.

A summary of project activities should be presented on a Web page. One home page per SfP project should be established in which all participating teams of the SfP Project should be included.

The responsibility for the design of the individual project home page is with the Project Co-Directors. For each project, up to **500 EUR** may be used for establishment of such a project web-page. For visual identity, the guidelines on the Web should be used from where logos can be downloaded: www.nato.int/science.

Project Co-Directors are requested to communicate the SfP project home-page address to the SfP Programme Office as soon as it is established. The address should be included in the six-monthly Progress Reports and Summary Reports and should be distributed to a broader audience. Provided that the standard SfP header and footer is used and that the Project is adequately described, the SfP Programme Office will establish a hyperlink from the NATO Science Homepage to the individual project home-page.

NATO's SfP projects should also be made visible to a broader public through media such as

newspapers and television. Original newspaper articles (or a high quality copy of it) dealing with the SfP project should be sent to the SfP Programme Office. If not written in English or French, a brief English summary should be attached.

The initiative for publication is left entirely to the Project Co-Directors. NATO, however, requires that the SfP Programme be mentioned explicitly as a sponsoring organisation (recommended wording: "This research is sponsored by NATO's Public Diplomacy Division in the framework of "Science for Peace"). Copies of the scientific publications related to SfP projects should not be sent to the SfP Programme Office, but should be filed with the Project Co-Directors who are mentioned as co-authors. A complete list of those publications, which are related to the SfP Project, must be included in the Progress Report.

7. INTELLECTUAL PROPERTY RIGHTS (IPR)

One of the characteristics of all SfP projects is to achieve applicable results. In the case of industry-oriented projects these should have potential for commercialisation. With respect to the ownership of intellectual property resulting from SfP projects, the expectation is to achieve a reasonable share among the participants in a SfP project, taking into account their respective contributions and their initial know-how.

NATO requires that, for all SfP projects that may lead to intellectual property, an agreement on the ownership of such intellectual property is negotiated and signed by all parties involved in the project. A copy of this IPR agreement is requested by the SfP Programme Office prior to the approval of a project. NATO waives any claim to ownership of intellectual property.

An IPR agreement determines as to how to share rights amongst participating teams. In addition, it is extremely important that Project Co-Directors of teams, which contribute substantial knowledge to exploitable results, protect their intellectual properties by patents.

8. PROJECT REPORTING

Reporting on scientific progress and on administrative and financial matters of the Project is required by the SfP Programme Office twice per year in the form of a Progress Report. Further payments through NATO funds will depend on the timely submission of a satisfactory report. Such six-monthly Progress Reports give the Project Co-Directors also the opportunity to evaluate the status of his/her contribution to the Project and to evaluate progress of the Project as a whole. Reports are also essential for effective communication with all groups and individuals who have an interest in the Project.

After the Project has been completed, the Project Co-Directors will prepare a detailed Final Report on the accomplishments.

8.1 SIX-MONTHLY PROGRESS REPORTS

Four printed copies of the Progress Report should be received by the SfP Programme Office no later than 20 October (covering the period from the project start until 30 September) and 20 April (covering the period from the project start until 31 March). These dates coincide with NATO's allocation of funds for the next semester. In the case that a NATO Consultant has been assigned to the Project, one copy should also be sent directly to him/her. If an IPR Committee has been established in the framework of the SfP Project, each member of this Committee should also receive a copy of this report.

The first six-monthly Progress Report is due (by 20 April or 20 October, respectively) after a period of at least six months following the date of the first Grant Letter.

Should the **SfP Programme Office be required to take action** on any matter mentioned in the Progress Report, **this must be explicitly requested in a letter** accompanying the Report or at any time when the problem arises. Reference to the chapter and page of the report should be made.

A Progress Report is made up of five chapters: a) Technical Progress; b) Financial Status; c) Equipment Inventory; d) Criteria for Success Table; e) Summary Report.

Annex 3 gives a detailed description of the requirements for and the structure of the Progress Report. *Annex 4, 5, 6 and 7* provide sample outlines and formats for Chapter b), c), d) and e) of the Report.

The six-monthly Progress Report is both a management report and a technical report. It is not a detailed elaboration of the technical and scientific findings. The report should thus focus on actual

tasks and activities that have been carried out, rather than on scientific details.

The Progress Report should be written so that it can be read as a free-standing self-explanatory documents, and should not contain references to previous reports unless a summary of the subject, to which reference was made, is given.

The preparation of a complete Progress Report requires careful logistical planning. It is assumed that each Project Co-Director will prepare sufficiently in time his/her contribution to each of the above mentioned chapters. It will be the responsibility of the PPD and the NPD to merge these contributions and send a complete and coherent Progress Report to the SfP Programme Office by the due date.

8.2 FINAL REPORT

After the research activities carried out in the framework of the SfP Project have been completed, and whilst the results are being implemented, the Final Report should be prepared which should describe the R&D activities and results and, most importantly, how the results are being implemented. The original objectives and criteria for success serve as the "target" for this report. The Final Report should be comprehensive but not exceed 50 pages (A4). Detailed guidelines for the preparation of the Final Report are given in *Annex 8*. The inclusion of photographs is encouraged.

Prior to printing the final version, a draft report (one hard copy) should be sent to the SfP Programme. After possible amendments were made and approval given, the Final Report is printed. In addition to copies which the Project Co-Directors may wish to distribute to interested parties (such as the NATO Consultant, project participants, IPR committee, experts/advisors), 5 copies of the Final Report should be sent to the SfP Programme Office.

9. PROPERTY OWNERSHIP AND ACCOUNTABILITY

"Property" is herein defined as equipment, instruments, tools, and other non-expendable items having a purchase value of **more than 1,250 EUR**. Property purchased with NATO funds may be installed at the premises of one of the collaborating institutions. Infrastructure costs associated with the installation are the responsibility of the institution.

Ownership of property purchased in whole or in part with NATO SfP funds remains with NATO for the duration of the Project. SfP staff members and other NATO authorities have priority access to equipment.

Each Project Co-Director is countable for NATO property which is purchased from his/her assigned SfP budget and installed at his/her institution. Upon its arrival at the institution, the Project Co-Director concerned has to mark the property with the blue NATO SfP identification label, and periodically update the Inventory Record (see *Annex 5* of this Handbook). Numbered NATO SfP identification labels will be provided by the SfP Programme Office and are used as described in *Annex 5*.

At the end of the period of NATO support, and when the Project is successfully completed, ownership of the property will be assigned by the Programme Director to one of the Project's institutions which, in most cases, will be the institution where it has been most beneficially used.

10. PROJECT, FINANCIAL RECORDS, AUDITS, AND SITE VISITS

In addition to their review of the six-monthly Progress Reports, NATO staff (from the SfP Programme Office as well as from the Financial Control Office), members of the Advisory Panel, and/or specially appointed NATO Consultants may visit project sites periodically in order to monitor the progress, to audit financial records, and to help the project teams in identifying and solving any management or administrative problems.

The NATO Consultant (if one has been assigned to the Project) should meet with the Project Co-Directors at least once, if necessary twice, per year. If possible, this visit should coincide with one of the project meetings located in a Partner or a Mediterranean Dialogue country where the main project activities are performed. It is expected that the NATO Consultant will visit the key facilities and end-users in the Partner country.

It is essential that Project Co-Directors establish and maintain adequate records and accounting systems for all expenditures according to the guidelines given in this Handbook. Reports, financial records as well as original or copies of all invoices (and other financial documents) have to be kept by the Project Co-Directors in a safe and orderly manner. Upon request, these documents have to be available at any time during the project's duration and for three years following the completion of NATO's support.

Please note that misuse of funds may lead to the immediate termination of the entire Project and to legal prosecution.

PAYMENT REQUEST FORM (PRF)

Before completing this form, read carefully the instructions. Fill out the grey fields only. Use font size 12pt or larger. If needed, give additional information in an accompanying note.

1a) **Payment to be charged to country:**

2a) **Project number: SfP**

1b) **Project Co-Director:**

2b) **Current PRF number:**

	Currency	Amount <i>(use 'comma' as 1000 separator)</i>
(3) Amount to be paid with this PRF: <i>(As given on back-up document; only one amount in one currency! See instructions for currency abbreviations.)</i>		
(4) Transfer to be made in currency: <i>(Complete if different from item (3).)</i>		RESERVED FOR NATO ADMINISTRATION

(5) **Account holder's bank co-ordinates:** *(In the first grey box give the FINAL destination only.)*

Name of the account: _____
 Account no.: *(please divide into groups of digits)* _____
 Bank name: _____
 Bank's full address *(branch, street, city, country):* _____
 Bank codes/IBAN if applicable: _____
 SWIFT/BIC if applicable: _____
For EUR standard bank transfers the International Bank Account Number (IBAN) and Bank Identifier Code (BIC) are required!

Co-ordinates of a corresponding bank, if applicable and known (not compulsory): ...

(6) **Message to the account holder and information about the payment**

Six-digit project number: **SfP**
 Quotation or (Proforma-) Invoice no. and date: _____
 Brief description of procurement or special message: _____

(7) **NPD's name:**

Signature:

Date:

RESERVED FOR NATO ADMINISTRATION

CODE: _____ / _____ / _____ / _____ / _____ SfP Programme Office, Signature: _____ Date: _____
PRF number P or N country item advance

Budget article: _____	Commitment no: _____
<p align="center">BUDGET SECTION</p> Payment conforms to Atr. 9-FRP lxe of financial regulations Head, Budget Section Processed for payment on: _____	<p align="center">TREASURY SECTION</p> Payment made conforming to the proposition Head, Treasury Section

Invoices/back-up documents are on file with the Science for Peace Programme Office, NATO-HQ, and the Project Co-Director concerned.

INSTRUCTIONS FOR THE SUBMISSION OF PAYMENT REQUEST FORMS (PRFs)

1. PROCEDURE AND TIMING

PRFs are completed by the Project Co-Director concerned and sent to the NPD who will sign – if he/she agrees – and send it by mail (not by fax nor e-mail!) to the SfP Programme Office. If approved by the SfP Programme Office and NATO's Financial Control Office, a bank transfer will be prepared by NATO's Financial Control Office on the basis of the PRF. NATO is currently working with the Bank "ING" which will actually carry out the transfer. From the day of receipt of the PRF by NATO, approximately three weeks must be expected before the money will be credited to the account of the final destination (as given on the PRF under item (5)).

ATTENTION: Payment requests which do not comply with the rules or do not follow the instructions (or which have confusing back-up documents) may be returned to the Project Co-Director concerned! Wrongly directed payments (due to incorrect or incomplete information given under item (5) on the PRF) may take several weeks before being corrected by the ING and other banks involved in the transfer.

2. REQUIRED BACK-UP DOCUMENTS AND MESSAGES

Transfer by NATO <u>directly to a vendor or a traveller:</u>		
Requested payment	Message to the account holder (Item (6) on the PRF)	Back-up document(s) for the PRF¹
PRF for first payment step	FIRST PAYMENT STEP OF (<i>Give quotation or proforma invoice number and date.</i>)	Attached to PRF: Quotation or proforma invoice for the item to be purchased; comparative table with decision and justification
PRF for second (or third) payment step (PRFs to be sent at the same time as the PRF for the first payment step)	SECOND (or THIRD) PAYMENT STEP OF (<i>Invoice no. and date will be completed by NATO.</i>)	To be mailed to NATO when the item was delivered: <u>original</u> invoice with statement of delivery (or of successful installation)
PRF for items below 5,000 EUR, if a transfer by NATO directly to the vendor or traveller is more reasonable	(<i>Give Invoice no. and date. For mission expenses: traveller's name, destination, dates.</i>)	Attached to the PRF: <u>Original</u> invoice. For mission expenses: MEF, air-ticket stubs, hotel bill, etc.
Transfer by NATO <u>to the operational account of a Project Co-Director:</u>		
Requested payment	Message to the account holder (Item (6) on the PRF)	Back-up document(s) for the PRF¹
PRF for 1,000 EUR for <u>administrative expenses of the NPD</u> (once per year)	ADMIN. EXPENSES FOR NPD, YEAR (<i>Give year</i>)	None
PRF for an <u>one-off advance</u> to the operational account of each Project Co-Director (maximum 7,500 EUR)	ONE-OFF ADVANCE FOR (<i>Give name of the Co-Director</i>)	None. The spending of this amount must be documented at the end of the Project.
In case, the balance remaining on the operational account is insufficient: PRF for an <u>advance for a specific item</u> valued below 5,000 EUR may be requested in the exact amount as shown on the (proforma) invoice	ADVANCE FOR (<i>Give brief description of the item.</i>)	Attached to the PRF: (Proforma) invoice; give complete address and 'phone no. of the vendor! After the vendor was paid, the <u>original</u> invoice must be sent to NATO.
PRF for a <u>replenishment</u> of the operational account	REPLENISHMENT, DATED (<i>Give dd.mm.yyyy</i>)	Attached to the PRF: The table "Overview of Payments from the Operational Account" and copies ² of the required back-up documents
<p>¹ General requirements for back-up documents (see also <i>Section 3, item 3.4</i> of this Handbook): Invoices must always mention the project number and short title and should be addressed to the Project Co-Director who will receive the item. All original invoices must be marked with "SUBMITTED TO NATO" (before making copies). Back-up documents should be issued in English or French. Otherwise, a translation of the relevant items must be given (handwriting directly on the original invoice allowed). Staple the back-up documents to the related PRF and avoid plastic sleeves or folders.</p> <p>² Back-up documents required for replenishment requests: For missions (travel/training) listed in the table: the original Mission Expense Form (MEF), completed and signed by the traveller. For stipends: original receipt signed by the stipendiary and a short (1/2 page) cv. For all other items: copies of the receipts/invoices if higher than 250 EUR. You may use reduction up to 71% (if still legible) and copy several back-up documents on one A4 sheet. Mark the originals with "SUBMITTED TO NATO" before making a copy.</p>		

3. INSTRUCTIONS FOR THE COMPLETION OF THE PAYMENT REQUEST FORM (PRF)

In order to avoid mistakes, the PRF should be completed by typewriter or computer (use font size 12pt or larger).

(1a/b) 'Payment to be charged to country' and 'Project Co-Director'

Payments should be in accordance with the approved budget forecast. In order to keep an overview of the use of a Project Co-Director's budget, give the name and country of the Co-Director (initial and surname) to whose budget the payment has to be charged.

(2a/b) 'Project number' and 'Current PRF number'

For easy reference, the NPD must give each PRF, which he/she sends to the SfP Programme Office, a current (sequential) number. (Do NOT start re-numbering for following years or for each Project Co-Director!) The current number should be communicated by the NPD to the Project Co-Director concerned. Always refer to this number when requesting information about a payment.

(3) 'Amount to be paid with this PRF'

Indicate the amount and currency to be paid from the SfP project funds as justified by the related (attached) back-up document (e.g. the amount of a payment step of an attached quotation; in the case of a replenishment, the total as calculated in the attached table). Invoices may be issued with or without showing the VAT amount. In any case, invoices of items valued at 250 EUR or more must have a statement "this price is without VAT" or an indication which is the net price. Remember that SfP funds can only be used for the payment of the net price.

For the currencies of NATO, Partner and Mediterranean Dialogue countries, use the following abbreviations (ISO-CODE 4217):

Euro-Zone: Euro (AU, BE, FR, FI, GE, GR, IT, IR, LU, NL, PO, SP)	- EUR*	Georgia: Lari	- GEL	Russian Fed.: Rouble	- RUB
Albania: Lek	- ALL	Hungary: Forint	- HUF	Slovak Rep.: Koruna	- SKK
Algeria: Dinar	- DZD	Iceland: Krone	- ISK	Slovenia: Tola	- SIT
Armenia: Dram	- AMD	Israel: New Shekel	- ILS	Sweden: Krona	- SEK
Azerbaijan: Manat	- AZM	Jordan: Dinar	- JOD	Switzerland: Franc	- CHF*
Belarus: Rouble	- BYR	Kazakhstan: Tenge	- KZT	Tajikistan: Somoni	- TJS
Bulgaria: Lev	- BGN	Kyrgyz Rep.: Som	- KGS	Tunisia: Dinar	- TND
Canada: Dollar	- CAD*	Latvia: Lat	- LVL	Turkey: New Lira	- TRY
Croatia: Kuna	- HRK	Lithuania: Litas	- LTL	Turkmenistan: Manat	- TMM
Czech Rep.: Koruna	- CZK	Maroc: Dirham	- MAD	Ukraine: Hryvna	- UAH
Denmark: Krone	- DKK*	Mauritania: Ouguiya	- MRO	United Kingdom: Pound	- GBP*
Egypt: Pound	- EGP	Moldova: Leu	- MDL	USA: Dollar	- USD*
Estonia: Kroon	- EEK	Norway: Krone	- NOK*	Uzbekistan: Sum	- UZS
FYROM: Denar	- MKD	Poland: Zloty	- PLN		
		Romania: New Leu	- RON		

(4) 'Transfer to be made in currency:'

Payments can only be made by bank transfer (not by cheque) and only in one of the currencies indicated above with an asterisk (*). Make sure that the receiving account will accept the currency in which the transfer is requested!

When possible, the transfer should be requested in the currency in which the back-up document is issued. When a submitted PRF requires the calculation into another currency, NATO will apply the currency exchange rates determined and regularly up-dated by NATO's Office of Financial Control.

(5) 'Account holder's bank co-ordinates'

- The name of the account given on the PRF must be identical with the name under which this account has been established at the bank.
- Give the name, full address and all numbers and codes of the final destination. For standard European transfers give IBAN and BIC.
- Please note: PRFs will not be processed if the information for the final destination is confusing or incomplete.
- Information about corresponding banks is not required. (Our bank has its special contracts with corresponding banks and all necessary information.)
- "SWIFT/BIC" is the fastest bank-to-bank transfer. It requires, in addition to the name of the account and bank details, the SWIFT address or BIC for the bank.

(6) 'Message to the account holder and information about the payment'

From this box, the SfP Programme Office will extract a brief message which the account holder needs for tracing the payment. Complete in English or French with a brief and clear message. (See page 1, item (1) of this Annex "REQUIRED BACK-UP DOCUMENTS AND MESSAGES".)

(7) 'NPD's name' and 'Signature':

NATO's Financial Control requires the original of the signature of the NPD. The NPD's signature will be defined with the start of the Project and will be counter-checked with each payment request. A change of signatory needs approval by the SfP Programme Office.

EXAMPLE OF AN OVERVIEW TABLE FOR A FIRST REPLENISHMENT REQUEST

Project number: *SfP - 999999*
 Project Co-Director: *Dr. Slava, St. Petersburg, Russia*
 Report date: *20 August 2005*
 Last Replenishment Request: *7,500 EUR one-off advance received under PRF 001*

OVERVIEW OF PAYMENTS FROM THE OPERATIONAL ACCOUNT

Sequential reference no. on back-up document	Back-up document attached: Yes/No	Items - Comments	Amount paid	In currency	Paid by ¹	EUR
1	YES (MEF)	Travel Smimoff to Berlin, Germany, 17-20.06.2005	1,730	EUR	Q	1,730
2	YES	Imaging system with CCD camera	4,230	USD	T	3,480
3	NO	Monitor	6,300	RUB	T	182
4	YES (MEF)	Travel, Slava to Denmark, 10-15.08.2005	1,010	EUR	C	1,010
TOTAL: EUR						6,402

¹ T = BANK TRANSFER; Q = CHEQUE; C = CASH. ² The replenishment will be made in the currency of the operational account. The amounts to be listed here should be those which were deducted from the account for payment of the item. (The currency exchange rate of the Project Co-Director's bank is applicable.)

I herewith certify that the expenses as described above were incurred for the SfP Project in accordance with the SfP rules. All related original back-up documents are on file at my institute.

SIGNATURE OF THE ABOVE-MENTIONED PROJECT CO-DIRECTOR: **Dr. Tomas Slava**

(For this replenishment request, a PRF in the amount of 6,402 EUR should be attached.)

EXAMPLE OF AN OVERVIEW TABLE FOR A SECOND REPLENISHMENT REQUEST

Project number: *SfP - 979999*
 Project Co-Director: *Dr. Slava, St. Petersburg, Russia*
 Report date: *12 January 2006*
 Last Replenishment Request: *6,402 EUR (20 August 2005)*

OVERVIEW OF PAYMENTS FROM THE OPERATIONAL ACCOUNT

Sequential reference no. on back-up document	Back-up document attached: Yes/No	Items - Comments	Amount paid	In currency	By T, Q, or C ¹	EUR
5	YES (MEF)	Training, Petrov, UK, 01-31.11.2005	1,640	GBP	T	2,398
6	YES	N ₂ operational gas	16,500	RUB	T	477
7	YES	PC with accessoires	1,167	USD	T	960
8	YES	Project specific mailing expenses	8,700	RUB	C	251
9	YES (MEF)	Travel, Vladimirov and Rubnikov, Germany, 02-06.12.2005	1,953	EUR	T	1,953
TOTAL: EUR						6,039

¹ T = BANK TRANSFER; Q = CHEQUE; C = CASH. ² The replenishment will be made in the currency of the operational account. The amounts to be listed here should be those which were deducted from the account for payment of the item. (The currency exchange rate of the Project Co-Director's bank is applicable.)

I herewith certify that the expenses as described above were incurred for the SfP Project in accordance with the SfP rules. All related original back-up documents are on file at my institute.

SIGNATURE OF THE ABOVE-MENTIONED PROJECT CO-DIRECTOR: **Dr. Tomas Slava**

(For this replenishment request, a PRF should be completed in the amount of 6,039 EUR.)

REGULATIONS AND ACCOUNTING FOR MISSION EXPENSES
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1. AUTHORISATION OF A TRAVEL/TRAINING (MISSION)

Each Project Co-Director is authorised to pay from SfP project's funds expenses which are incurred for travel or training (further referred to as 'mission') of project participants and expert/advisors provided these are carried out in the framework of the project. The expenses paid from SfP funds should be listed in the budget forecast tables and must be in accordance with *Section 5* of this Handbook and with the rules given below. SfP funds can only be used for missions of a limited duration of maximum 3 months.

Prior to a mission, a breakdown of the estimated total costs should be established which is sent to the NPD whose approval is required. Authorisation from the SfP Programme Office must only be obtained (prior to a mission!), if its duration is exceeding 30 days or if its destination is outside the region of NATO, Partner and Mediterranean Dialogue countries.

Please note that for mission expenses, the VAT exemption rule is waived.

2. TRANSPORTATION

Using the most favourable rate, air- or train- tickets may be bought from any travel agent or airline. When travelling by air, using "apex", "pex" or "excursion" rates can result in a lower total of travel expenses even when taking into account the extra expenses for a necessary longer stay in the country. If this is the case, the additional expenses for an extra overnight stay (accommodation plus 50 EUR living expenses) can be paid from SfP funds. The payment of business class from SfP funds is never authorised.

When travelling by train, first class fare in normal trains and economy fare in fast trains plus supplements can be charged to the SfP project's funds. When travelling by car, the maximum which can be reimbursed through SfP funds is the equivalent of a first class train ticket per person. Only in exceptional cases (sound justification and approval of the SfP Programme Office is required) can SfP project funds be used for the payment of a rental car.

3. ACCOMMODATION, LIVING AND ADDITIONAL EXPENSES

Accommodation expenses are reimbursed to the traveller according to real expenses (i.e. hotel bills are required; eligible accommodation expenses: room charge plus breakfast).

Living expenses (meals, beverages, local transportation and miscellaneous) are covered by an additional 50 EUR per day and per person (no receipts required). The 50 EUR should be reduced if the host is paying for all meals. In any case, the total which may be reimbursed for accommodation and living expenses can not exceed the 'NATO per diem rate for the visited country' times 'the number of nights' (not days) spent on mission. Per diem rates are periodically reported in the Project Director's Bulletin.

Additional expenses (such as for visa, conference fee, taxis from and to the airports) are reimbursed to the traveller only upon receipts. Major additional costs for training should be paid directly to the hosting institution.

4. TRAVEL ADVANCE - FINAL ACCOUNTING OF MISSION EXPENSES

Usually, expenses for missions are reimbursed to the traveller after his/her return to the home country. As travellers may need an advance in order to be able to pay the expenses for visas, air tickets, accommodation and living expenses, the Project Co-Director responsible for the mission is authorised to arrange for a travel advance. This travel advance cannot be more than 75% of the estimated total expenses for the travel.

After completion of the mission, the traveller will request from the Project Co-Director concerned the reimbursement of the total or, if travel advance was received, the balance of the mission expenses.

Usually, the expenses for missions are paid from the operational account of the Project Co-Director concerned.

The reimbursement request must be fully documented and includes:

- a completed Mission Expense Form (MEF) signed by the traveller (MEF outline and example see *Annex 2b and 2c*);
- the ORIGINAL used ticket stubs (air-, train-tickets) or, if the tickets were paid from resources other than SfP project funds, a copy of the tickets;
- ORIGINAL receipts for the accommodation;
- receipts for visa, airport taxi, conference fee or other additional expenses.

MISSION EXPENSE FORM (MEF)

Project number: SfP -

Name of the traveller:

Business address (*institute, city, country*):

Responsible Project Co-Director (*to whose budget the expenses will be charged*):

Purpose of the Mission:

.....

.....

DESCRIPTION OF TRAVEL:

From	To	Date	Dep./Arr.	Means of Travel

EXPENSES:

Item	Expenses in local currency	In the currency of the operational account ¹
Air/Train tickets		
Accommodation		
Living expenses ²		
Total expenses		

MISSION ADVANCE (max. 75% of the estimated total expenses).....

FINAL BALANCE DUE TO TRAVELLER

I herewith certify that these expenses were incurred for my mission carried out in the framework of the SfP project as described above. The original back-up documents are attached to my MEF and are sent to ...³

Traveller's Signature:

Date:

¹ Use the currency of the operational account and the exchange rate of your bank.

² Living expenses of 50 EUR per person per day should cover meals, beverages, local transport and miscellaneous. Receipts not required.

³ Please complete as appropriate: **a)** "... the responsible Project Co-Director" (if paid from the operational account) or **b)** "... NATO" (if exceptionally paid by NATO directly to the traveler).

EXAMPLE OF A COMPLETED

MISSION EXPENSE FORM (MEF)

Project number: **SfP - 999999**Name of the traveller: **Mr. Vladimir Smirnoff**Business address: **Institute for Laser Science, RAS, St. Petersburg, Russia**Responsible Project Co-Director: **Dr. Slava, St. Petersburg, Russia**Purpose of the Mission: **Travel to the Conference "Laser 2001" in Berlin, Germany; meeting with three other SfP project participants (Dr. A, Mr. C, Prof. D)**

DESCRIPTION OF TRAVEL:

From	To	Date	Dep./Arr.	Means of Travel
St. Petersburg, Russia	Berlin, Germany	17.11.01	9:00/12:10	Plane
Berlin, Germany	St. Petersburg, Russia	20.11.01	16:00/21:50	Plane

EXPENSES:

Item	Expenses in local currency	EUR
Air-tickets	440 USD	487 EUR
Accommodation	3 nights x 80 EUR	240 EUR
Living expenses	4 days x 50 EUR = 200 EUR	200 EUR
Visa	700 rubles	25 EUR
Total expenses		952 EUR

MISSION ADVANCE (paid from the operational account of Dr. Slava) 714 EUR

FINAL BALANCE DUE TO TRAVELLER (paid from the operational account of Dr. Slava) ... 238 EUR

I herewith certify that these expenses were incurred for my mission carried out in the framework of the SfP project as described above. The original back-up documents are attached to my Mission Expense Form and are sent to the responsible Project Co-Director.

Traveller's Signature: **signature of Vladimir Smirnoff**Date: **22.9.2006**

¹ Use the currency of the operational account and the exchange rate of your bank.

² Living expenses of 50 EUR per person per day should cover meals, beverages, local transport and miscellaneous. Receipts not required.

³ Please complete as appropriate: a) "... the responsible Project Co-Director" (if paid from the operational account) or b) "... NATO" (if exceptionally paid by NATO directly to the traveler).

REQUIREMENTS FOR THE SIX-MONTHLY PROGRESS REPORTS
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Progress on all projects is reported to the SfP Programme Office twice per year, covering the periods:

- from the start of the project until 31 March
- from the start of the project until 30 September

It is the responsibility of either the NPD or the PPD that 4 hard copies of the full report are received by the SfP Programme Office no later than 20 April and 20 October, respectively, to coincide with NATO's allocation of funds for the next semester. If applicable, one copy should also be sent to the NATO Consultant as well as by each member of the IPR Committee. The NPD and the PPD should sign the Progress Report.

1. THE CONTENTS OF THE PROGRESS REPORT

The six-monthly Progress Report is a narrative report and must be a stand-alone document. I.e. no reference should be made to previous reports without a brief description.

The overall objectives of the Project and the way in which the tasks and activities of the various participating groups have contributed towards achieving these objectives must be clearly stated. In particular, the Progress Report should include a summary of the current status of the work for each of the participating groups and for the Project overall in relation to the milestones and deliverables schedule given in the approved Project Plan. This information should be supported by specific accomplishments and quantified wherever possible in charts, graphs and schedules.

If delays or obstacles have been encountered, their effect on the expected outcome of the Project should be assessed and the actions planned to overcome them should be described.

A short section relating to young scientists associated with the Project, including their names, organisations and contribution to the Project, should be included in the Report.

The following paragraphs explain in detail where to place all the requested information:

2. THE STRUCTURE OF THE PROGRESS REPORT

- Title page: give the project number, full title, short title, and Project Co-Directors' names; the name(s) of person(s) who prepared the report should be marked and the date of the report should be given.
- Mark the report clearly with "MAY Progress Report – year" or "NOVEMBER Progress Report - year".
- The second page: the table of contents (TOC);
- The third page: a list of abbreviations;
- The fourth page: a list of Co-Directors and end-users with updated mailing addresses, contact numbers and e-mails (important for keeping the database at NATO up-to-date);
- The fifth page: a short introduction to the project (background and objectives). It should become clear why and how this project is carried out and what will be the end-results and the implementation;
- The sixth (and seventh page, if applicable): an overview of the entire project in form of a bar chart "Project Structure and Activities" (outline and example see *Annex 3b and 3c*). Explain briefly delays or obstacles and give reference to the chapters in the Progress Report where more details can be found.

Five separate chapters (a, b, c, d, and e) should follow. In order to facilitate the identification of the different chapters of the report it would be greatly appreciated if paper of the following colours would be used:

- | | |
|--------------------------------|--------|
| a) Technical Progress | white |
| b) Financial Status | rosé |
| c) Equipment Inventory Records | rosé |
| d) Criteria for Success Table | yellow |
| e) Summary Report | white |

a) **The Technical Progress**

This chapter should not exceed 20 pages including all sub-chapters and figures!

The work performed under the direction of the Project Co-Director(s) from the Partner countries should be described in the first sub-chapter(s). Preparation of this sub-chapter(s) is the responsibility of the PPD with the collaboration of the involved Project Co-Directors.

The work, if any, performed under the direction of the Project Co-Director(s) from the NATO country(ies) should be described in the next sub-chapter. Preparation of this sub-chapter is the responsibility of the NPD.

The sub-chapters must include the following information (from the start of the Project):

- Accomplishments achieved so far compared to the approved version of the Project Plan;
- Actions taken to ensure the implementation of the end-results;
- Milestones for the next six months;
- Involvement of young scientists in the Project;
- Major travel (who went where, for what reason, benefits and conclusions of the missions?);
- Visits by experts/advisors and NATO consultant (topics covered and any impact on the work plans);
- Visibility of the SfP Project (list separately 1. scientific publications (in peer-reviewed journals) and 2. presentations in other journals or at conferences; articles in newspapers; web-site, etc.)
- Technical and administrative difficulties encountered and actions taken to overcome them;
- Changes, if any, in project personnel in any of the participating organisations;
- Changes, if any, in the Project Plan and their expected impact on budget and schedule;

b) **The Financial Status of the entire Project**

Preparation of this chapter is the responsibility of the NPD.

This chapter of the semi-annual Progress Report includes a set of standardised tables to be completed by the NPD with the input of the participating Project Co-Directors. The outline of these budget tables are given in *Annex 4a, 4b and 4c*.

The financial report is not an accounting document. It is a necessary management tool, which compares expected costs at the start of the Project (the APPROVED BUDGET) with current expectations (the CURRENT COST OUTLOOK), for the purpose of identifying potential overruns so that corrective actions can be taken. At any given time, the current cost outlook is the sum of real costs to date (ACTUAL EXPENDITURES) plus a careful re-estimate of the money needed to complete that item (FORECAST EXPENDITURES). The portion of forecast expenditures to be spent in the next six months is identified separately to assist the SfP Programme Office in determining the amount and timing of additional grants. (This forecast must be as accurate as possible!)

Within the approved budget, modifications and re-allocations can be proposed but should be explained and justified. If the total CURRENT COST OUTLOOK is more than the total APPROVED BUDGET for the Project, each line item should be re-examined and actions taken to deal with such budget overrun.

c) **The Equipment Inventory Records**

Please give the information as requested in *Annex 5*.

d) **The Criteria for Success Table**

This table should give an overview where the Project stands with respect to the end-goals (use the form as given in *Annex 6*).

e) **The two-page Summary Report**

This Summary Report should give an overview of the achievements from the start of the Project until 30 March or 30 September, respectively, of the current year. Project Co-Directors are asked to prepare this summary with care as it will be included, without editing, in the "Report on the Overall Science for Peace Programme" which will be distributed to NATO's Science Committee and the Expert Panels.

Please, follow the outline given in *Annex 7*.

EXAMPLE:

'Milestones, Deliverables and Schedule: SFP 979999

Report Date: 30-Apr-00

Milestones/Tasks	1st year			2nd year			3rd year			Deliverable:	Reporting:
	1-2-3 A-S-O	4-5-6 N-D/J	7-8-9 F-M-A	1-2-3 A-S-O	4-5-6 N-D/J	7-8-9 F-M-A	1-2-3 A-S-O	4-5-6 N-D/J	7-8-9 F-M-A		
1. LCD analysis											
2. Computer modeling											
2.1 Software for computer modeling											
2.2 Basic optical measuring system											
2.3 Complete optical measuring system											
3. Compensated filter assembly											
3.1 Patent application for comp. LCD											
3.2 NR layers development											
3.3 PT filter with compensated LCD											
3.4 Development of optimum filter config.											
3.5 Experimental evaluation											
3.6 Development of tech. for small scale production											
4. Low power consumption electronics											
4.1 PT of low power discrete electronics											
4.2 Design and development of custom IC											
4.3 Production PT series of custom IC											
5. Implementation at industrial end-user											
5.1 Integration of NR into manufacturing process											
5.2 Production PT of filter module with comp. LCD											
5.3 Small scale production of filter module with comp. LCD											
										< Software package for IBM PC	<- 2nd Progress Report
										< Prototypes of low power consuming electronics < Patent for comp. LCD	<- 1st Progress Report
										< optimal measuring system for demonstration	<- 3rd Progress Report
										< Prototype of optimal LCD light shutter	<- 4th Progress Report
										< Commercially available optimized LCD light shutter	<- 5th Progress Report

* EFFECTIVE DATE is the date when the first R&D activities of the project actually started.
(This bar chart should be designed to suit the Project's requirements; it should be as detailed as possible and self-understanding.)

As planned: [Patterned Box] Completed: [Solid Box]

SfP NATO BUDGET TABLE

Please provide one sheet per Project Co-Director

ATTENTION: Project Co-Directors from NATO countries (except Bulgaria and Romania) are only eligible for NATO funding for items f-g-h !

Project number: SfP -	Project short title: SfP -
Report date:	Duration of the Project ¹ :
Project Co-Director: (name, city, country)	

Detailed Budget Breakdown (to be completed in EUR ³)	ACTUAL EXPENDITURES		FORECAST EXPENDITURES		Comments on changes, if any, in the financial planning compared to the approved Project Plan
	(1) from start until 31.03. / 30.09. (current year) ²	(2) for the following six months	(3) for the following period until project's end		
(a) Equipment					
Subtotal "Equipment"					
(b) Computers - Software					
Subtotal "Computers - Software"					
(c) Training					
Subtotal "Training "					
(d1) Books and Journals (global figure)					
(d2) Publications (global figure)					
Subtotal "Books - Publications"					
(e) Experts - Advisors					
Subtotal "Experts - Advisors "					
(f) Travel					
Subtotal "Travel"					
(g) Consumables - Spare parts:					
Subtotal "Consumables - Spare parts"					
(h) Other costs and (i) stipends (specify)					
Subtotal "Other costs"					
TOTAL (1), (2), (3) :					
URRENT COST OUTLOOK = (1)+(2)+(3)	0				

¹ Give month/year when the Project started and expected ending date. ² Choose the appropriate date and complete the year.³ As of January 2002, grants are made in Euro (EUR) and all figures should be given in EUR.

SFP NATO BUDGET SUMMARY TABLE

Project number: Sfp - Project short title: Sfp -
 Report date: Duration of the Project¹:
 The Project is in the year (please indicate): 1 - 2 - 3 - 4 - 5

Breakdown per Project Co-Director (to be completed in EUR³)

Project Co-Director's name, city, country	APPROVED BUDGET: Total year 1-5		CURRENT COST OUTLOOK: Total year 1 - 5	ACTUAL EXPENDITURES since start until 31.03. / 30.09. of current year. ²	FORECAST EXPENDITURES		Comments on changes, if any, in financial planning compared to the approved Project Plan
		€			for the following 6 months	for the following period until project's end	
TOTAL (must be identical with TOTALs given in Breakdown per item):							

Breakdown per item (to be completed in EUR³)

Project Co-Director's name, city, country	APPROVED BUDGET: Total year 1-5		CURRENT COST OUTLOOK: Total year 1 - 5	ACTUAL EXPENDITURES since start until 30.04. / 31.10. of current year. ²	FORECAST EXPENDITURES		Comments on changes, if any, in financial planning compared to the approved Project Plan
		€			for the following 6 months	for the following period until project's end	
(a) Equipment							
(b) Computers - Software							
(c) Training							
(d) Books - Publications							
(e) Experts - Advisors							
(f) Travel							
(g) Consumables - Spare parts:							
(h) Other costs and (i) stipends							
TOTAL:	0	0	0	0	0	0	

¹ Give month/year when the Project started and expected ending date. ² Choose the appropriate date and complete the year. ³ As of January 2002, grants will be made in Euro (EUR) and all figures should be given in EUR.

SFP NATIONAL CONTRIBUTION TABLE

(Only for Bulgaria and Romania)

Project number: Sfp -	Project short title: Sfp -
Project Co-Director: <i>(name, city, country)</i>	
Report date:	

A. TYPE of EXPENDITURE

Budget breakdown	Year of expenditure				
	1st year	2nd year	3rd year	4th year	5th year
(a) Salaries <i>(Name and qualification of research and support personnel)</i>					
Subtotal "Salaries"					
(b) Overhead Costs <i>(specify: consumables, energy, local transportation)</i>					
Subtotal "Overhead"					
(c) Equipment - Computers					
Subtotal "Equipment"					
(d) Other costs					
Subtotal "Other costs"					
TOTAL :	(1)	(2)	(3)	(4)	(5)
GRAND TOTAL = (1) + (2) + (3) + (4) + (5)					

B. SPONSORING INSTITUTIONS

Name of sponsoring institution	Year of expenditure				
	1st year	2nd year	3rd year	4th year	5th year
TOTAL :	(1)	(2)	(3)	(4)	(5)
GRAND TOTAL = (1) + (2) + (3) + (4) + (5)					

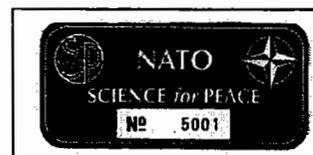
PROPERTY INVENTORY PROCEDURE

All property with an initial value of 1,250 EUR¹ or more, purchased in whole or in part with NATO funds, must be clearly identified and its location well documented at all times. This instruction applies to equipment, computers and software, but does not apply to consumable supplies. When the project is completed (approved Final Report), the ownership of this property can only be transferred to the participating institution if the inventory is complete and up-to-date.

For the purpose of recording the inventory the Project Co-Director concerned will label each property with a numbered INVENTORY LABEL and will list the property in an INVENTORY RECORD. The inventory may be audited at any time by NATO officials or local authorities.

1. INVENTORY LABELS

Each piece purchased with NATO funds will be identified by one of the blue inventory labels provided by the SfP Programme Office. The label has to be affixed to the front of the item (at a visible place!). If an equipment consists of a number of easily removable components, each component will receive a separate label. If the equipment has been assembled into a larger system, the system should be labelled and the records identify which piece(s) is (are) NATO property.



2. INVENTORY RECORD

It is the responsibility of the Project Co-Director concerned to prepare and update the inventory. The record is established at the start of the project in form of a summarising table (outline see below). This table must list all items with an initial net value of 1,250 EUR or more which were purchased in whole or in part from NATO funds². The first inventory record will be submitted to the SfP Programme Office in chapter c. "Equipment Inventory Records" of the six-monthly Progress Report, in any case no later than 12 months after the date of the first Grant Letter. An updated inventory record will be submitted every six months thereafter (with the Progress Report). The Project Co-Directors will keep a copy in their project file.

Outline of the inventory record (use A4, landscape):

Inventory Label No.	Property Item	Manufacturer	Model Number	Serial Number	Date of Purchase	Cost (EUR ¹)	Location

Inventory Label No.: The number on the blue SfP inventory label affixed to the property item

Property Item: Give the name in full (no abbreviations)

Manufacturer: Full name of the manufacturer (not the supplier)

Model Number: As given on the manufacturer's tag on the item

Serial Number: As given on the manufacturer's tag on the item

Date of Purchase: As given on the invoice related to the procurement

Cost: In EUR¹ as debited from NATO's Project funds

Location: Be as explicit as possible

3. MISSING OR DAMAGED EQUIPMENT

In the event that an item of property has been damaged, destroyed or cannot be located, the circumstances of the loss must be immediately reported to the SfP Programme Office. In the inventory record, the loss must be indicated and details be given. The Project Co-Director concerned should put any possible effort into repairing or returning the property to its proper location.

¹ As from January 2002, grants are made in Euro (EUR) and all figures should be given in EUR.

² Items which are being shipped while updating the inventory record should not be listed. Items which have arrived in the country, but which have not yet been installed at the institution, should be listed.

OUTLINE OF THE SfP SUMMARY REPORT
--

Two pages maximum!

(The comments given in these outlines in Italics should help to complete the paragraphs and should be deleted for the final version.)

SfP – SHORT TITLESfP – *(project number)**(Full title with initial capitals)*

Project Co-Directors: *(one line per Project Co-Director; the list must be in accordance with the most recent Grant Letter; affiliations may be abbreviated if mentioned under abbreviations)*
name, institution, city, country (NPD)
name, institution, city, country (PPD)
name, institution, city, country of the other Project Co-Directors
etc.

Approval Date: *(date of first Grant Letter)* Effective Date: *(date when the first activities started)*Duration: *(give estimated duration in years and expected month/year of completion of the project)*NATO Budget: ... EUR *(give the 'estimated overall amount' as mentioned in 'FUNDING PROVISIONS AND TERMS AND CONDITIONS ...' of the most recent Grant Letter)*Information about the SfP Project through Internet: *(give address of web page for the SfP project, if established)*Abstract of Research*(Provide a brief abstract of the research content of the project)*Major Objectives

➤ *(List in short phrases the main objectives; unless significant changes occur while carrying out the project, this part will remain unchanged for all Summary Reports.)*

-
-
-
-
-

Overview of Achievements since the Start of the Project until (31 March or 30 September of current year)

➤ *(An overview (10 to 15 phrases) of the results and applications achieved from the start of the project until the end of the present reporting period should be given. This part should **not** contain technical details as these are available in the progress reports.)*

-
-
-
-
-
-
-

Payments through NATO Funds: ... EUR

(Give amount as at 30.04. or 31.10. of the current year. The figure should be identical with the TOTAL ACTUAL EXPENDITURES given in the SfP NATO Budget Summary Table, Annex 4b of the Progress Report.)

Milestones for the Next Six Months

➤ (give in short phrases an overview of the work plan for the next six months. Indicate any elements of the Project supported by non-NATO funding.)

-
-
-
-
-

Implementation of Results

(As early as possible after the start of the project, a paragraph should be included in this report summarizing activities under way to transfer the project results to the end-users. The name of the end-users and their locations (city, country) should be given! Also indicate potential commercial application.)

NATO Consultant

(For projects where one has been appointed give title, name, institution, city, country)

Other Collaborating Institutions

- (a list of the institutions and end-users which are not listed above as Project Co-Directos but which have a substantial input in the project's realization; give name of the institution, city, country)
-

Intellectual Property (IP) Rights

(List patents, patent applications and other IP items, if applicable.)

Companies and other organisations interested in providing funds for commercialisation of project results can request further information from the Project Co-Directors or from the SFP Programme Director (www.nato.int/science "How to contact us"). Release of information requires Co-Directors' authorisation.

Abbreviations: (give full expression for all abbreviations which occur in this summary)

GUIDELINES FOR THE PREPARATION OF THE FINAL REPORT

The Project Co-Directors are requested to jointly prepare a detailed **Final Report** of the Project and a **Summary Report of this Final Report** in accordance with the guidelines given below. The Final Report should not exceed 50 pages (A4).

1. STRUCTURE AND CONTENTS

This report should give an extensive overview of the project objectives, its R&D activities and results and, most importantly, the actual and expected implementation of the results. The format of the Report should be A4. The following scheme is suggested (a recommended number of pages per chapter is given).

a. Introduction (1-2 pages)

This chapter contains some background information on the specific situation in the country that led to proposing this SFP Project. Special attention should be given to the economic and industrial benefits that are expected as a result of this Project as stated in the Criteria for Success Table, including its contribution to strengthening the national scientific/technological infrastructure. This information should be quantified, where possible.

b. Scope and Objectives of the Project (1-3 pages)

This chapter contains a summary of the objectives to be achieved within the lifetime of the Project.

- scientific goals
- participation by other national institutions/industries
- training
- enhancement of scientific infrastructure
- international co-operation
- etc.

c. Realization of the Project (1-3 pages)

An overview of the organisation of the Project, the management structure, and the participating institutions and industries. If the Project is composed of several sub-projects, these items should be treated for each sub-project.

d. Scientific Results (up to 40 pages)

The scientific results are reported here in the nature of an article in a scientific periodical or as a presentation at a scientific conference. As a consequence, this reporting is relatively detailed and may be organised per sub-project. Special attention should be given to the need for further R&D activities after conclusion of the Project.

e. Implementation of Results (2-4 pages)

This chapter gives a status of the implementation of the results at the end of the Project and of the expectations for the immediate and longer term future. Special attention should be paid to the economic and industrial benefits (short and long term) for the country. Wherever possible, a cost-benefit analysis, based on the R&D findings, should be included (in EUR).

f. Conclusion (1-2 pages)

Here, the overall conclusions of the SFP experience are given. The tangible consequences of NATO's funding in EUR of the Project for the research team, the participating institutions and, if appropriate, the nation, should be outlined.

g. Annexes

Annex 1: List of collaborators (internal and external); enumerate under separate headings the collaborators who obtained an advanced degree (MSc, PhD) through co-operation with the Project.

Annex 2: List of publications resulting from the Project. List of presentations given to the scientific community during major conferences, as well as to the broader society via the press (attach photocopies of articles) and other media.

Annex 3: Complete Inventory Record (see *Annex 5* of the Handbook)

2. PRINTING AND PUBLISHING

- a. The language used is English.
- b. A draft of the report has to be sent to the SfP Programme Office for review before printing of the final version.
- c. Printing:
 - to be done locally; the initiative is left to the Project Co-Directors;
 - the required format is A4, printed recto-verso;
 - the design of the front page is left to the initiative of the Project Co-Director; however, at the bottom of the front page should figure the following text: "Research sponsored by the NATO Science for Peace Programme";
 - five copies of the report are to be sent to the SfP Programme Office; the total number of copies to be printed is to be decided by the Project Co-Directors, taking into account the collaborators, consultants, national and local authorities, industrial partners, etc.;
 - photos should be included in the report wherever appropriate.
- d. Reasonable costs of printing, to a **maximum of 1,250 EUR** can be charged to NATO's Project funds.
- e. In order to allow a broader distribution and an easier access to the results of SfP projects, the Project Co-Directors are encouraged to arrange for an abridged version of this Report in the local language (10-15 pages). In this case, the printing costs can also be charged to NATO's Project funds (included in the 1,250 EUR mentioned above).

3. SUMMARY REPORT OF THE FINAL REPORT

The Project Co-Directors are requested to provide a one page English summary of the Final Report, which will be included in the overall SfP Programme report. This summary should especially stress the objectives, results and implementation of results. The inclusion of one or two photos is encouraged.

NATO TAX EXONERATION CERTIFICATE

NATO Headquarters, DATE

TO WHOM IT MAY CONCERN

The North Atlantic Treaty Organisation (NATO) is exonerated from all taxes in application of Articles 9 and 10 of the Ottawa Agreement and conforming to the regulations of Ministerial Decision no. ET 580L/620 dated 22 February 1967, including VAT in application of CM No. 67/1970 § 13 (article 42, § 2, 2° of the Code). As a consequence, NATO has no VAT registration number.

One of NATO's non-military co-operation activities is NATO's Security Through Science Programme which fosters and enhances the collaboration and communication between the scientific communities of NATO, its Partner and its Mediterranean Dialogue countries¹. Along this line, "NATO Science for Peace" (SfP) is supporting applied research and development projects jointly carried out by scientists from NATO and Partner countries.

NATO's Security Through Science Programme is an activity of NATO's Public Diplomacy Division and is part of the non-profit making governmental activities placed under the responsibility of the North Atlantic Council. Grants made under this Programme and payments made from these grants cannot be assimilated to a personal income and should not incur any tax liability (cf. Convention of Ottawa, September 1951).

SfP funds are committed to selected projects and can only be used for project specific items. The suppliers of such items purchased from NATO grants are requested to ensure that the payment of these purchases are exempted from VAT. This certificate may only be used in conjunction with an (proforma) invoice on which the SfP project is clearly mentioned with number and short title: "NATO SfP – (*number of project and short title*)".

Public Diplomacy Division
NATO Headquarters
Brussels, Belgium

1 NATO COUNTRIES: Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Turkey, United Kingdom and United States.

PARTNER COUNTRIES: Albania, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Russian Federation, Tajikistan, the Former Yugoslav Republic of Macedonia², Serbia, Turkmenistan, Ukraine and Uzbekistan.

MEDITERRANEAN DIALOGUE COUNTRIES: Algeria, Egypt, Israel, Jordan, Morocco, Mauritania and Tunisia.

² Turkey recognises the Republic of Macedonia with its constitutional name

STANDARD CUSTOMS CLEARANCE LETTER
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NATO Headquarters, DATE

TO WHOM IT MAY CONCERN

Importation of Scientific Equipment for NATO's Science for Peace Project: (name)
(Exemption from Customs Duty)

Through "Science for Peace" (SfP), NATO's Public Diplomacy Division is supporting applied R&D projects in NATO, its Partner and its Mediterranean Dialogue countries¹ mainly by providing scientific equipment to the participating institutions.

The purpose of this letter is to certify that in the framework of the project "SfP -SHORTTILTE (SfP NUMBER)", NATO has purchased the items described in the attached proforma invoice no. (NUMBER) and dated (DATE) from (SUPPLIER, CITY, COUNTRY).

The cost of these items including transportation and insurance charges has been covered by NATO.

The purchased items are owned by NATO and are provided to the below given institute(s) which is (are) participating in the SfP project and which will use these items exclusively for scientific research in the framework of the project.

(LIST OF NAMES AND ADDRESSES OF THE INSTITUTES)

NATO kindly requests that these items are exempt from customs duty.

Public Diplomacy Division
NATO Headquarters
Brussels, Belgium

Atts: Proforma Invoice from: SUPPLIER, CITY, COUNTRY, having number NUMBER and dated DATE

1 **NATO COUNTRIES:** Belgium, Bulgaria, Canada, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Turkey, United Kingdom and United States.

PARTNER COUNTRIES: Albania, Armenia, Azerbaijan, Belarus, Bosnia & Herzegovina, Croatia, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Russian Federation, Tajikistan, the Former Yugoslav Republic of Macedonia², Serbia, Turkmenistan, Ukraine and Uzbekistan.

MEDITERRANEAN DIALOGUE COUNTRIES: Algeria, Egypt, Israel, Jordan, Morocco, Mauritania and Tunisia.

² Turkey recognises the Republic of Macedonia with its constitutional name

TABLE OF “THRESHOLD AMOUNTS”

Overview of EUR amounts for which special attention is required

EUR	Comment
50	Amount per day which traveller may claim for living expenses in addition to the hotel costs. Please note: the total reimbursement for hotel and living on a mission must not exceed the per diem rate for the country times number of nights on mission. Per diem rates can be found on the Web: www.nato.int/science
100/150/200	Maximum amount of monthly stipend that could be requested for young scientists: 100 EUR per month for support personnel 150 EUR per month for researchers without PhD 200 EUR per month for researchers with PhD
250	Maximum amount that can be paid as a daily fee for an external expert from a NATO country; maximum period 10 days per year (prior approval by SfP Programme Office needed)
250	Amount as of which (copies of) invoices have to be submitted with a replenishment request
500	For the establishment of a project specific web-page
1,000	Yearly administrative expenses that the NPD may request once per year through a separate PRF without providing back-up documents.
1,000	Maximum amount that can be paid for costs related to patents.
1,250	Value of equipment as of which it has to be labelled and listed in inventory record.
1,250	Max. expenses which can be reimbursed from SfP funds for the printing of the Final Report
5,000	Amount as of which items have to be paid by NATO directly to the vendor.
5,000	Amount as of which prior approval by the SfP Programme Office concerning changes in the budget forecast has to be sought
7,500	Usual (and maximum) amount of the one-off advance per Project Co-Director.
7,500	Maximum amount that the NPD can request for direct administrative costs. Back-up documents must be provided for all expenses except the 1,000 EUR “administrative expenses for the NPD”
12,500	Amount as of which competitive bidding is compulsory

PROJECT QUICK START

(Sections and Annexes refer to the SfP project Management Handbook available at www.nato.int/science (information for grantees))

The official starting date of an SfP project is the date of the first ("initial") Grant Letter. This Grant Letter has to be signed by each Co-Director and the head of his/her institution. The granted money will only be available after the SfP Programme Office has received all required signatures.

While the signatures for the first Grant Letter are being collected, the Co-Directors should not lose time and already prepare the start of the project. Co-Directors will have to, amongst other issues, agree on meetings and reporting (Section 8), prepare specification and competitive bidding procedures for large equipment (Section 4) and get acquainted with the tax exoneration procedures for their country. SfP funds cannot be used to pay indirect costs such as taxes and customs duty (Section 2.2 and Annex 9 and 10).

The NPD should inform the SfP Programme Office about the effective starting date, which is usually marked by a kick-off meeting.

Please note that the first or "initial" Grant Letter gives the estimated total NATO budget and an indicative budget allocation for each Co-Director. The estimated total NATO budget will be granted step-by-step through "supplementary grants", depending on the needs and advancement of the project. These grant steps are, in fact, independent from the indicative budget allocations of the Project Plan or Progress Reports.

SfP funds granted through "initial" and subsequent "additional" Grant Letters will be kept on a NATO bank account. Please note that NATO's financial rules permit payments from this account only until the end of the second year following the date of a Grant Letter!

Payments from a SfP grant will be requested by the Co-Directors through Payment Request Forms (PRF; Annex 1a) that have to be signed by the NPD. All PRFs have to be channelled through the NPD. For easy reference, the NPD should give each PRF that will be sent to NATO a sequential number that he/she should communicate to the Co-Directors. NATO provides an on-line service for the follow-up of PRFs that have been received by NATO. With the submission of the first PRF the Co-Directors will receive their specific "PRF log-book" address.

As soon as the project starts, each Co-Director should prepare a PRF for his/her one-off advance (maximum 7,500 EUR) to be transferred to an "operational account" (Section 3.3). From this advance the Co-Director may pay small items (below 5,000 EUR) in accordance with the budget forecast without additional authorisation from the NPD or NATO.

When needed, a replenishment of the operational account should be requested by the Co-Director. In order to do so, back-up documents of the payments made from the operational account, an overview table of these back-up documents (Annex 1c and 1d) and a PRF in the amount of the total of these back-up documents is required by NATO. NATO will then pay the exact amount that has been paid from the advance which will lead to the filling-up of the account to the originally advanced amount. (The advance has to be closed at the end of the project with a last overview table and back-up documents.)

Amounts greater than 5,000 EUR will be paid by NATO directly to the vendor.

The first six-monthly Progress Report is due if more than six months have passed since the date of the first Grant Letter. The due dates for receiving the Progress Reports by NATO are fixed:

20 April and 20 October