



Head's decision

No 33/18

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Reg. no C2018/473

Matter: Decision re. exchange rates in project budgets

Officer: Anna Eriksson

Background:

Karlstad University participates in different projects with external funding in which both the funder and project partners may be based abroad. In these project applications and partnerships, project budgets are calculated in different currencies than the Swedish Krona, particularly in Euro. Budgeting in a different currency always involves a risk and the exchange rate is a risk factor: the exchange rate may change between the budgeting and payment stages, leading to an exchange difference. Changes may be positive or negative.

When a project budget for an externally funded project is calculated and the funder requires information in a foreign currency, the project leader must decide which exchange rate will be used (unless specified by the funder). Staff at the Financial and Budgeting Office are often expected to provide guidance in this matter and therefore a common approach has to be decided on.

The *Form for external funding (C2017/119)* requires applicants to indicate an exchange rate and depending on the scope of the budget, the decision on application must be approved by the vice-chancellor, dean/university director or head of department/unit, in accordance with the current delegation of authority. By signing the form, the person approving an application also approves the exchange rate used.

The current daily exchange rate is obtained from the European Central Bank as follows:

Applications in Euro:

http://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-sek.en.html

Applications in currencies other than Euro (only a monthly average is available):

http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm

**Codetermination (MBL) information/
negotiation:** No

Decision

The head of the Financial and Budgeting Office decides that the recommendation for project applications in which budgets must be calculated in foreign currencies is to use the current daily exchange rate minus 5 percentage points.

In cases in which decision makers (vice-chancellor, dean/university director or head of department/unit) are of the opinion that a different exchange rate should be used, the financial officer involved should be asked to recalculate the budget.

EvaLena Östlin decided in this matter and Anna Eriksson was rapporteur.

EvaLena Östlin

Anna Eriksson

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