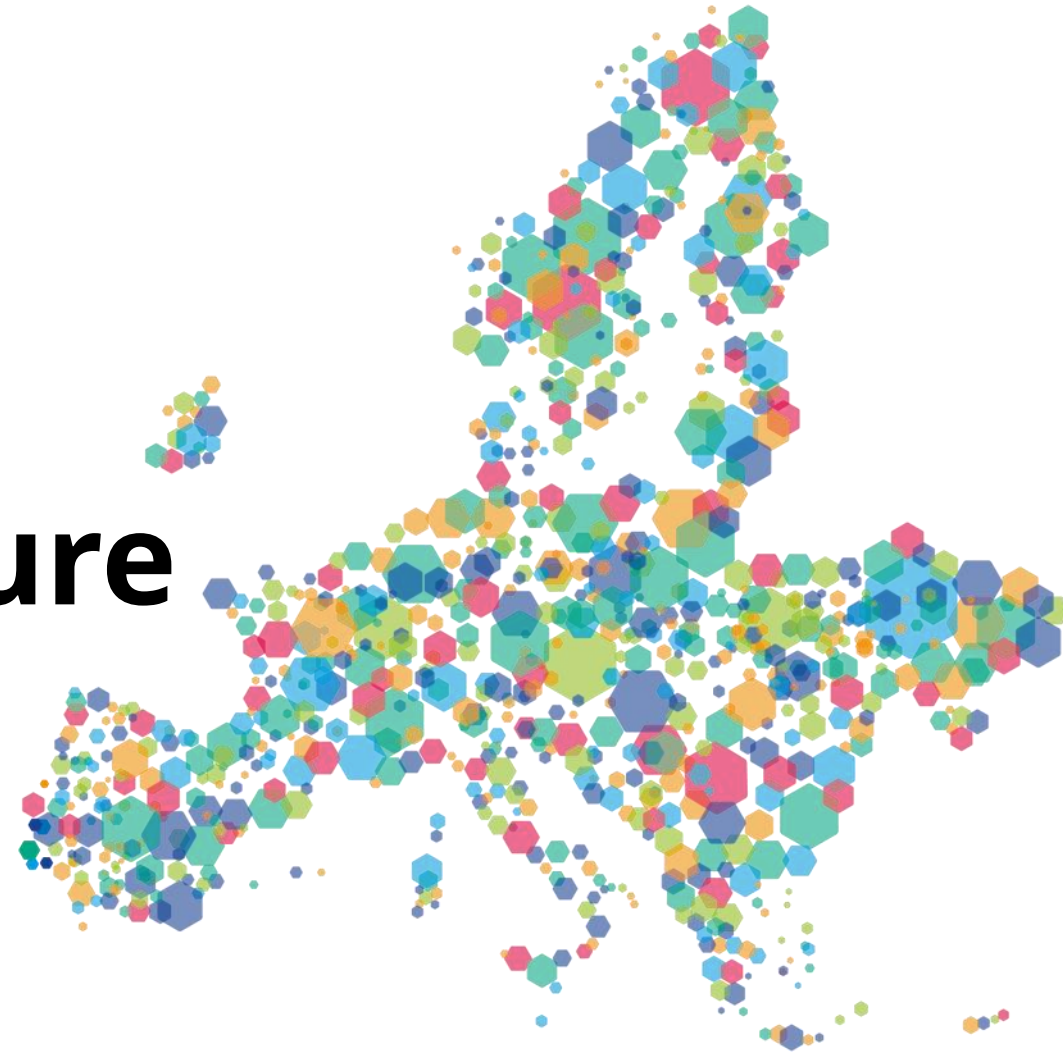


**Interreg
Europe**



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Eligibility of expenditure



24 SEPTEMBER 2024 | 75 Minutes

Training Days – Mastering Financial reporting
Lille, France

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Introduction



Alexis François

Senior Finance Officer



Camille Milloir

Finance Officer



Ana Sladic

Finance Control & Audit Officer

Agenda

- 1. Brief introduction (5 minutes)**
- 2. Exercise with 2 parts (30 minutes):**
 - staff costs
 - external expertise and services
- 3. Correction and Q&A (40 minutes)**

Focus on the eligibility aspect!



1 Brief

- introduction

Preparation costs

- 1) Lump sum of EUR 17,500 in total → EUR 14,000 Interreg funds, EUR 8,750 Norwegian funds
- 2) Reported by and paid to the LP in PR1, but to be shared among partners to reflect involvement in the preparation phase
- 3) No supporting documents needed

→Section 6.3 of the programme manual

Staff costs

- 1) Only one staff cost reporting method → fixed percentage
- 2) Supporting documents (task assignment letter, employment document, payslips, proof of payment)
- 3) Entry in the Portal is by month (monthly gross employment cost × % set in task assignment letter)

→ **Regulation (EU) No 2021/1060 Article 55(5)**

→ **Section 6.2.1 of the programme manual**

Administrative costs & travel costs

15% of staff costs automatically received as a flat rate for admin costs and for travel costs



Two points of attention:

- 1) No supporting documents needed for the control, but the controller needs to know the activities carried out, including trips which are still expected to happen!
- 2) Admin and travel costs not to be reported elsewhere in the report.

→Section 6.2.2 & 6.2.3 of the programme manual

Eligibility – External expertise and services

External expertise and service costs = expenditure paid, based on contracts or written agreements, and related invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks or activities linked to delivering the project.


- **Regulation (EU) No 2021/1059 Article 42**
- **Section 6.2.4 of the programme manual**

2. Exercise



Exercise

- Your job is to decide – as a small group – on a **credible percentage** to set for each of the 3 employees and fill in accordingly their task assignment letter.
- You also have to focus on the eligibility aspect of **external expertise costs**.

 *Some elements will be or have been tackled in more details in other sessions (e.g. Portal, External expertise and services...)*

3. **Correction and wrap-up**



Wrap-up – task assignment letter - Ashwasha

- in charge of two projects, including Electri-Cities where the agency has the role of LP
- attends all project meetings in person (rarely online)
- supervises the work of her colleagues in drafting deliverables
- collects all the information necessary to fill the activities and results part of the PR

→ Approx. 75% suggested

Wrap-up – task assignment letter - Milena

- supervises the work of her team (LP = COM leader)
- is often involved in the production of the communication materials and website production
- preparation of final event

→ **Approx. 30% suggested**

Wrap-up - task assignment letter - Roberto

- low involvement in the project activities (attends some events when relevant, gets weekly information about all projects the Agency is involved in)

→ **0-5% suggested**

Wrap-up – task assignment letter - Liam

- Works on several projects
- gathers all supporting documents
- leads all public procurement procedures
- fills in the financial side of the report and if needed, he is in touch with the controller
- looks into the certified reports of the other partners
- is available for assisting the partners and contributes to the clarification process

→ Approx. 25% suggested

External expertise and services - CORRECTION

5	External expertise and services	N/A	Office supplies (pens and post-it)
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→ Office supplies are covered by the office and administrative cost category = 15% of the reported staff costs

→ **Regulation (EU) No 2021/1059 Article 40**

→ **Section 6.2.2 of the programme manual**



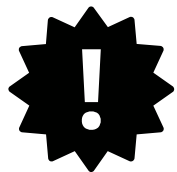
2 cost categories are a 15% flat rate of the staff costs!

External expertise and services - CORRECTION

7	External expertise and services	14	Partner meeting 2 (Donegal 21/06/2023) - promotional materials – USB sticks with logo of the project
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→ Strict programme's approach on promotional gadgets or giveaways

→ Only in exceptional cases when added-value for project's communication objectives is strongly demonstrated



Prior approval of the joint secretariat needed!

External expertise and services - CORRECTION


8	External expertise and services	14	Award best partner competition study visit Donegal (21/06/2023)
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→ Costs for **awards** and **prizes** granted or given at competitions organised by project partners are **not eligible**

External expertise and services - CORRECTION

			Travel and accommodation costs for 3 persons attending the kick-off meeting in Florence: Mr Smith (stakeholder), Mrs Kelly (stakeholder), Mrs O'Sullivan
10	External expertise and services	13	(partner) : airport parking fees, flight tickets, hotel rooms for 2 nights

→ Travel and accommodation costs for staff **employed by the partner organisation** = **“travel and accommodation”** cost category

 Partners who selected the flat rate for travel and accommodation costs do not report as real costs (= covered by the 15% flat rate)

External expertise and services - CORRECTION

11	External expertise and services	N/A	Development of an online platform on e-bikes
----	---------------------------------	-----	---

→ Interreg Europe mostly funds activities linked to the **exchange of experience between partners at the policy level**

→ **No implementation-oriented activities** unless approved in a pilot action

External expertise and services - CORRECTION

13	External expertise and services	11	Paid article - promotion of the project objectives and results
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- Strict programme's approach on paid articles:
 - **media presence of a project = successful communication strategy, not a paid campaign**
- Accepted in exceptional cases if **justified + pre-approved** by JS

External expertise and services - CORRECTION

15	External expertise and services	14	Costs for the organisation of the study visit in Donegal (21/06/2023): lunch for 25 persons, coffee break, room rental, golf course after the meeting
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→ activities of a purely touristic/entertaining character = **not eligible to ERDF**

External expertise and services - CORRECTION

17	External expertise and services	N/A	50% of the invoice for catering services shared with PP4 - organisation of the Kick-off meeting in Florence (25/04/2023)
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→ **No shared costs!**

One contracting partner = budgets, pays, reports **100% of the cost item** and receives the related ERDF

External expertise and services - CORRECTION

19	External expertise and services	N/A	Postal charges to send the partnership agreement to the partners
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→ Postal services are also office and administrative expenditure
Cf. **Regulation (EU) No 2021/1059 Article 40**

Wrap-up – task assignment letter

Key messages to take away:

- Find a plausible average, based on an estimation of the involvement of the staff member during the entire project. **For simplification!**
- Task assignment letter usually signed before the end of the reporting period it applies to.
- % ideally not changed frequently but only upon a change of responsibilities of the staff member or after annual staff appraisal.
- The higher the percentage and involvement of the staff member, the higher the level of details of the tasks in the task assignment letter.
- If you realize that the involvement is very low, consider carefully if it is worth it to draft the letter and report the related costs of the employee (simplification).

Wrap-up - travel costs flat rate

- Travel costs flat rate = also for staff members not assigned to the project (not reporting their staff costs) but occasionally participating in project events (e.g. final event)
- Travel flat rate = **partners should still travel!**
 - Learning on the ground = at the heart of the programme logic

Wrap-up

- Read carefully the programme manual, especially **section 6. Financial management**
- In case of doubt, contact your JS officers!
- And don't let your grand-mother complete your partner report! 😊

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