

# Interreg Europe



European Union | European Regional Development Fund

## Eligibility of expenditure

21-22 January 2020 | Budapest



# 4. To report or not to report: eligibility of expenditure



Petra Geitner

Head of Unit – Finances & Audit | Interreg Europe  
Secretariat

[p.geitner@interregeurope.eu](mailto:p.geitner@interregeurope.eu)

Anne Rocheteau

Finance Officer | Interreg Europe Secretariat

[a.rocheteau@interregeurope.eu](mailto:a.rocheteau@interregeurope.eu)

Ilaria Piazza

Coordinator – Project Finances | Interreg Europe  
Secretariat

[i.piazza@interregeurope.eu](mailto:i.piazza@interregeurope.eu)

Vincenzo Capocasale

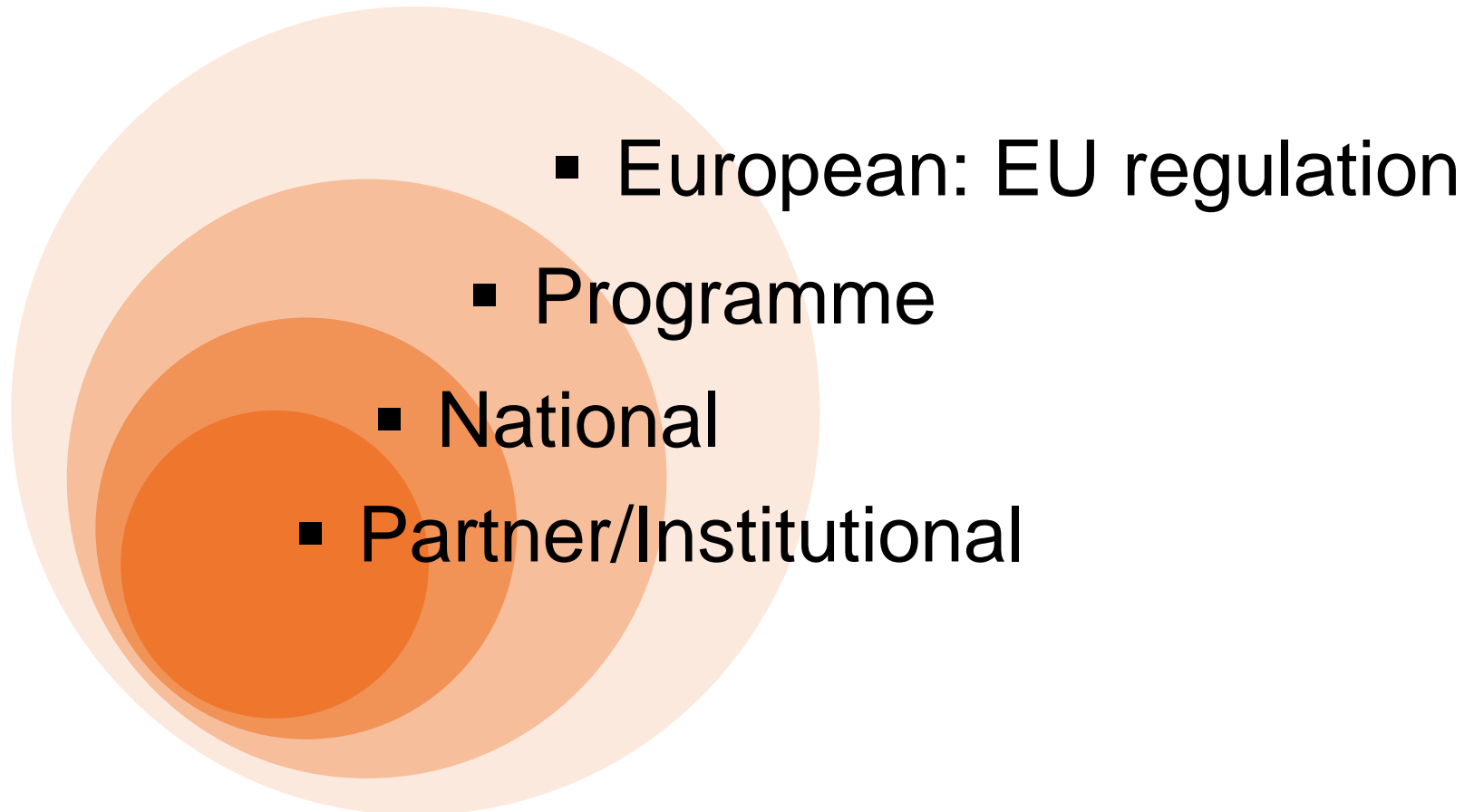
Finance Officer | Interreg Europe Secretariat

[v.capocasale@interregeurope.eu](mailto:v.capocasale@interregeurope.eu)



# General principles

Different levels of rules





# General principles

## CONSISTENT

- Allocated to the right budget line

## JUSTIFIED

- Planned in the application form

## COHERENT

- Matching activities



# General principles

- Eligibility of costs is determined by the relevance of the activities!
- **Costs necessary** to:
  - ▶ **Carry out** the project activities
  - ▶ **Achieve** the project objectives
- **Incurred and paid** in the reporting period





# Eligibility - period

- From approval by monitoring committee (**26 March 2019**) to project end date



**APPROVED**

# Preparation costs – Lump sum (I)



Lump sum of EUR 15,000 per project

- Allocated to the lead partner's budget
- Covers costs for the preparation of the application
- Reported by and paid to the lead partner in PR1

# Preparation costs – Lump sum (II)



- Distribution among partners agreed internally in the project partnership agreement



- **No supporting documents required!**

▶ *Check out section 7.3 programme manual*





# Eligibility - joint activities

**No shared costs!**

Share activities,  
not costs!

Contracting partner principle



Contracting partner = the only one reporting and receiving the ERDF!

# Eligibility - points of attention



Prior approval from JS necessary for items not already specified and approved in the application form, e.g.

- Activities/travel outside the programme area
- Promotional material (e.g. gadgets)
- Equipment (additional office equipment)

# Gifts & promotional materials



Gifts and promotional items (gadgets) are **not eligible** unless:

- approved **ex-ante** by the programme (application form & during project implementation)
- needed for a **specific communication activity** (EU logo/project logo does not automatically make a gift a promotional material)



▶ *Programme manual sections 7.4.9 and 8.2.1 & Delegated Regulation (EU) 481/2014, Article 2*



# Phase 1 – Budget lines

- Staff
  - Administration costs  
(15% flat rate)
  - Travel and accommodation
  - Equipment (only if  
planned / pre-approved)
- 
- External expertise and services



Only for staff  
directly  
employed by  
the partner  
organisations



# Claiming staff costs (I) - What

What can be claimed?

**Gross employment costs**

=

Salary payment

+

Taxes

+

Social security contributions



# Claiming staff costs (II) – How

How can staff costs be calculated?

1. Full-time on project? ► Real cost charged

2. Fixed % on project? ► % of real cost charged

~~3. Working partly on a flexible percentage~~



4. Hours + hourly rate fixed in contract

exceptional for few cases

# Claiming staff costs (III) - Who



Who can claim staff time?

- Staff members employed by partner organisations

Who can be considered a staff member?

- Persons receiving salary payments, i.e., staff members registered into the payroll of the partner organisation
- Persons with an employment/work document signed

# Claiming staff costs (IV) - Who



Who **cannot** claim staff time?

- Staff employed by other bodies even if 100% owned by partner organization
- Seconded personnel to partner organization
- Staff of partner organization's members  
e.g. when partner organization is a network, an association, an umbrella organization
- Persons seated in partner organization  
e.g. self-employed, visiting experts



**External expertise and services**





# ROLE PLAY





# Claiming staff costs

- Calculation:

**Gross employment cost**

**x**

**% on the project**

- Points of attention:
  - ✓ Regular review (e.g. annual staff appraisal)
  - ✓ % adjusted if necessary
- Simple calculation!



# Claiming staff costs

## Mission letter

- Name of employee
- Role in the project
- **% allocated to the project**
- Description of project related role, responsibilities and monthly tasks (see application form)
- Dated and signed by employee + line manager
- Regularly reviewed (e.g. staff appraisal) and adjusted if needed



Check out the [mission letter template on the website](#)



# Claiming staff costs

## Is the % plausible?

- In relation to the employee's role in the project?
- In relation to other costs declared (e.g. travel)?
- In relation to the FLC's knowledge from controlling other projects?





# Claiming staff costs

**Is the person involved in another project?**

- No double-financing?
- Coherence supporting documents

**The budget is the (natural) limit!**





# Administration costs

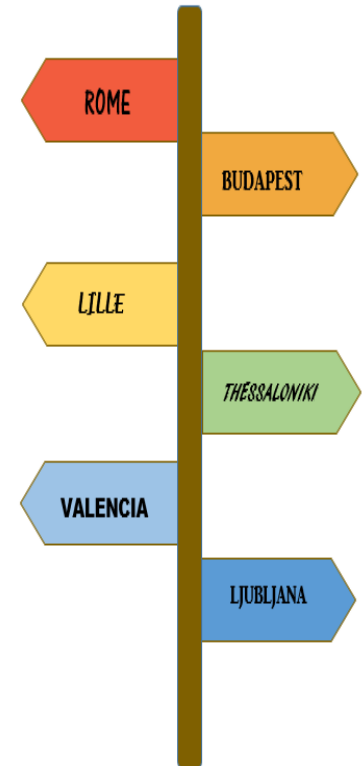
- Flat rate of 15% of Staff costs
- Includes: office rent, utilities, office supplies, general accounting etc.
- No administration costs under any other budget line
- **No supporting evidence required!**

▶ *Programme manual section 7.2.2 & Delegated Regulation (EU) 481/2014, Article 4*

# Travel and accommodation



- Only for staff employed by a project partner
- Includes items such as travel, meals, accommodation, visa, daily allowances
- Compliance with national and/or institutional rules



- **Non-staff travel costs** ► **External expertise and services budget line!**



- Agenda
- Daily allowance
- Paid invoices
- Proof of payment
- Boarding passes
- **Proof of participation (e.g. participant list)**



*Programme manual section 7.2.3 &  
Delegated Regulation (EU) 481/2014,  
Article 5*





# External expertise

- Services needed **outside the partner organisation**, incl. travel & accommodation for stakeholder groups
- Compliance with public procurement rules

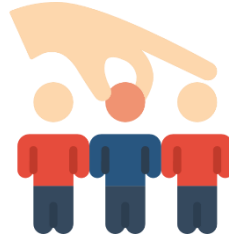


*Programme manual section 7.2.4 & Delegated Regulation (EU) 481/2014, Article 6*

# External expertise – Audit trail



Contract



Selection process



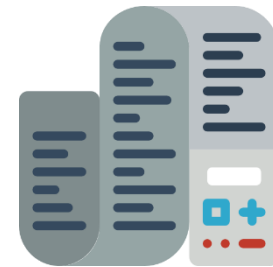
Evidence of compliance with procurement rules



Paid invoices



Service deliverables



Proof of payment

Icons made by [Smashicons](http://www.flaticon.com) from [www.flaticon.com](http://www.flaticon.com)

# External expertise

For stakeholder travel:



Source: Pixabay

- Formalize their involvement in writing  
e.g. invitation email, contract or written agreement
- Relevance/link with the policy instrument addressed
- Terms for travel reimbursements

# Equipment



- Purchased, rented or leased by a partner, to achieve the objectives of the project
- Mainly ‘office equipment’ for project management, not exceeding EUR 5,000-7,000 per project
- Only planned/pre-approved equipment eligible!

## Compliance with public procurement rules



▶ *Programme manual section 7.2.5 & Delegated Regulation (EU) 481/2014, Article 7*



# Equipment – Audit trail



Evidence of compliance  
with procurement rules



Deliverables



Paid invoices



Proof of payment



Calculation of pro-rata use  
(where applicable)

Icons made by [Smashicons](http://www.flaticon.com) from [www.flaticon.com](http://www.flaticon.com)

# Equipment – Point of attention



- If equipment item only partially used for the project (or bought at late stage), only share related to the use in the project can be reported!

%





# Eligible or not eligible in Interreg Europe...?

That 's the question...!



# Eligible or not eligible?

- Indirect staff costs?







# Eligible or not eligible?

- Bonus + lunch vouchers?





# Eligible or not eligible?

- Private pension schemes?





# Eligible or not eligible?

- Person seconded and paid by another entity?



# Time for questions...

