

**Interreg
Europe**



European Union | European Regional Development Fund

Financial rules and procedures in Interreg Europe - 4th call projects

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20 November 2019 | Madrid



Today's agenda



1. Main steps of the financial reporting exercise
2. Reporting costs in iOLF
3. Eligibility rules and budget lines
4. Points of attention

Main steps of the financial reporting exercise





Reporting deadlines

- Reporting periods set by call subject to the **monitoring committee (MC)'s approval**

	Reporting period		Deadline for submission
Phase 1 (e.g. 36 months)	six-monthly	1 August – 31 January 1 February – 31 July	1 May 1 November
Phase 2 (12 months)	annual	1 August – 31 July	1 August

Full calendar available at: https://www.interregeurope.eu/projects/implement-a-project/?menu-option-selection_2=5504



Preliminary steps

During the first reporting period project partners:

- have signed the project partnership agreement
- **ONLY** partners who signed the project partnership agreement can report costs!



Preliminary steps (in Spain)

- During the first reporting period :
 - ✓ Spanish project partners propose their FLCs to **Ministerio de Hacienda y Administraciones Públicas**
 - ✓ **Ministerio de Hacienda y Administraciones Públicas** designates the FLCs through iOLF

Ready for the reporting procedures!



Main steps

1

Project partners send their reports incl. list of expenditure and list of contracts to their FLCs through iOLF



Submit to the FLC

2

- The FLCs verify and confirm the eligibility of the expenditure reported by the partner in iOLF

- The Ministry verifies and validates



3

PPs send their certified partner reports to the LP through iOLF.



Submit to the lead partner



Main steps

4

The LP checks and consolidates the partner reports in the joint progress report (PR) in iOLF



5

LP submits the joint PR to the JS within three months after the end of reporting period



6

Clarification and/or approval of the joint PR

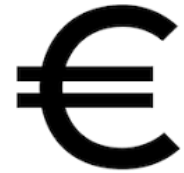




Main steps



Execution of payment by the certifying authority to the LP



The LP transfers the programme funding to PPs in compliance with the amounts stated in the PR



Reporting costs in iOLF





Reporting fully online

No supporting document sent to the JS

- **Partner report**

(incl. list of expenditure and list of contracts)

- **FLC certification**

(incl. the FLC checklist, the FLC report and the financial correction sheet, if applicable)


- **Joint progress report**



Reporting fully online

PPs need access to iOLF

▶ LP creates only access for PPs (not FLCs) and grant them specific rights

Project Users		Application Form (Version 1) <input type="button" value="v"/>	 User Administration
Number	Organisation (English)	Email	Status
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	i.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active



Project dashboard for PPs

Project History

Title	Version	Status	Last Updated
Application Form	1	Submitted 14/04/2017 16:00 k.ecke@interregeurope.eu	k.ecke@interregeurope.eu 14/04/2017 16:00:55

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<input type="checkbox"/>	Name	Size	Changed on
<input type="checkbox"/>	Application Form_PGI04933_WEB-INAR.pdf	486.48 kB	14/04/2017
<input type="checkbox"/>	Practical information.pdf	242.07 kB	14/04/2017
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<input type="checkbox"/>	Practical information.pdf	242.07 kB	14/04/2017
<input type="checkbox"/>	Project Summary_PGI04933_WEB-INAR.pdf	119.46 kB	14/04/2017

Partner Contact Detail

Please select [+ Partner Contact Detail](#)

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PP 3	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 4	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:58

Policy Instrument Progress

[Open policy instrument report](#)

No policy instrument reports found

Partner Reports

[+ Partner Report](#)

Partner	Reporting period(s) Including report	Status	Last change
LP	1 not included	Submitted to FLC	a.niechajowicz@interregeurope.eu 03/05/2017 14:11

Partner Report Consolidation

No partner report consolidations found

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Tab. Summary

- Indicate the correct reporting period – impossible to change it later on

Summary Activities summary Contact details List of contracts Expenditure External expertise and services Equipment

Reporting period 1 Version 1 (Submitted to FLC)

Summary

In the table below please select the reporting period(s) that you wish to include in this partner report.

Please note that if you include a specific reporting period in this report, it will be impossible to select it again in any other partner report. Please also note that it is possible to add another reporting period to an existing, open partner report. However, for technical reasons, moving the end date to an earlier point in time is not possible. If you accidentally choose a wrong end date, please delete the entire partner report from the Dashboard and recreate a new report with the corrected dates.

Project title	Successful Reporting in Interreg Europe
Project index number	PGI04933
Partner name	Partner A
Partner number	LP (PP1)
Reporting period start date	Reporting period 1 (begins on 01/01/2018) <input type="button" value="v"/>
Reporting period end date	Reporting period 1 (ends on 30/06/2018) <input type="button" value="v"/>
Included in progress report	Not yet included in a progress report.
Certified by	



Tab. Activities summary

- Information for FLC
- It can be filled in Spanish
- Not included into the joint PR

Summary **Activities summary** Contact details List of contracts Expenditure External expertise and services Equipment

Reporting period 1 Version 1 (Submitted to FLC)

Activities Summary

Please briefly describe the activities that have taken place in this reporting period

- Participation in 2 project meetings: 1 in Norway for the interregional workshop and site visit, 3 day round trip with the staff members ECKE, PIAZZA, NIEHAJOWICZ and stakeholders SMITH & MITCHEL, 1 steering group meeting in Brussels, participating staff member PIAZZA
- Continued work on the action plan development, update of the baseline study (included in supporting documents): several intermediate meetings with external service provider
- Production of the programme poster, put in the foyer of the department (visible to the general public, see picture included in supporting documents)
- 1 stakeholder group meeting: a total of 15 participants (see participants list included in supporting documents)
- Preparation of upcoming interregional workshop at the beginning of semester 2, at LP premises (agenda, public procurement for catering & transport etc., included in supporting documents)



Tab. Contact details

- Select the current version of **contact details**
- New version of contact details can be created in the dashboard from the 'Partner contact details' section

Summary Activities summary **Contact details** List of contracts Expenditure External expertise and services Equipment

Reporting period 1

Partner Contact Details - Version 1

Version 1

Name of organisation in original language Partner A 9 / 200 characters

Name of organisation in English Partner A 9 / 200 characters

Department/unit/division (if applicable) * 1 / 200 characters

Address * 1 / 200 characters

Town * Postal code 1



Tab. List of contracts

- Listing **all** contracts used for the implementation of the project (above & below EU thresholds)
- Automatically generated from one partner report to another (only minor changes can be done in this section after the inclusion of a contract)

3. List of contracts

Contract number	Supplier name	Contracted amount (excluding VAT)	Contracted amount (including VAT)	Above EU threshold	Procedure applied	Contract type	Partner comments	FLC comments
P06-01	[REDACTED]	1,600.00	1,600.00	<input type="checkbox"/>	Negotiated procedure without prior publication	Services	Travel and accomodation for 2 stakeholder representatives to participate in the thematic seminar [REDACTED]	



Only contracts above the EU thresholds are indicated in the joint PR. To flag a contract as such so that it is listed into the joint PR, just tick the box 'above EU threshold'



Tab. List of contracts

	Threshold for all public law bodies	Threshold for all central government authorities (<i>this is a limited list, if you are on it you usually know it!</i>)
Signed since 2018 <i>Commission Delegated Regulation (EU) No 2017/2365</i>	221,000€ * VAT excl.	144,000€ * VAT excl.
Signed since 2020 <i>Commission Delegated Regulation (EU) No 2019/1828</i>	214,000€ * VAT excl.	139,000€ * VAT excl.



Thresholds applicable during 2 years

Tab. List of contracts



What to include?

- 'Classical' contracts
- Any written contractual agreement
 - e.g. confirmation emails or purchase orders

What NOT to include?

- One-off purchase
- Oral agreements since not documented



Tab. List of expenditure

- Link T&A, EE&S and equipment expenditure claimed with contracts in the list of contracts;
- Link EE&S and equipment with the items planned in section E.2 in the AF

4. List of Expenditure - External expertise and services

N°	Budget line	Contract number	Item number as planned in the application form	Description in application form	Type of cost	Employee/supplier
1	External expertise and services	P01-03	N/A		Publication and dissemination costs (unplanned)	Printing Pro
2	External expertise and services	N/A	4	av. 2 stakeholders participating in 4 interregional events & 1 final event	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Smith
3	External expertise and services	N/A	4	av. 2 stakeholders participating in 4 interregional events & 1 final event	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Mitchell



Tab. List of expenditure

- Possibility to claim 'unplanned items', i.e., not specifically planned in the AF
- Monthly exchange rate automatically calculated in iOLF (= exchange rate of the submission date to the FLC)

2	N/A	Publication and dissemination costs (unplanned)		0.00	Printing Pro	Production of project poster	47.00	47.00
Planned amount exceeded or unplanned expenditure reported. Please provide justification.								
Unfortunately, no resources were available to provide the poster internally as originally planned (long term sick leave, no replacement). Therefore an external provider had to be hired.								

Tab. External expertise & services



Individual costs reported under the same item from the AF are merged in the External expertise budget line. Only this description is integrated into the progress report. Same for equipment.

15	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Travel and accommodation for 2 persons from the stakeholders group to 6 events (average : 775 €/person) (3 persons for the final event)	9,300.00	Isabelle Marque, Havas Voyages	Expenses (dinner on 11/12/2018, bus Grenoble- Lyon airport on 11/12/2018), hotel in Stuttgart, flight Lyon-Stuttgart on 11/12/2018 and train ticket Stuttgart-Paris on 12/12/2018 for Isabelle Marque during Modul 1 et 2
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Tab. External expertise & services



Descriptions in the list of expenditure:

- self-explanatory (What? Why? Where? When?)
- clear link with reported activities/outputs planned in AF

Which of the two descriptions provide the relevant information?

1	4	Travel & accommodation costs: members of the stakeholder groups and other external bodies	av. 2 stakeholders participating in 4 interregional events & 1 final event	10,000.00	Smith, Mitchell	Smith & Mitchel participated in their capacity as stakeholder group members, having a particular experience in the good practice presented during the workshop and site visit in
47		8 Stakeholders to Kick Off, 2.5 Stakeholders to 9 EEPEs, 7.5 Stakeholders to 1 Co-design Seminar, 3.5 Stakeholders to 3 Workshops and 8 Stakeholders to Final Event, 1 Stakeholder to external events (1.5 per year)	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Zeigonska, Janina	T&A costs (flight, hotel, food and drinks) related to the participation in the eight EEPE and in the SG and ETF meeting in Krakow (Malopolska Region) from 25-27 Febr. 2019	



Partner report submission

Summary Activities summary Contact details List of contracts Expenditure External expertise and services Equipment

Reporting period 1 Version 1 (Submitted to FLC)

Summary

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Partner report consolidation

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Partner report consolidation

The LP consolidates the partner reports in the joint progress report, checking that:

- **each partner report** is clear enough i.e. description concrete and self-explanatory (check description of items)
- **the expenditure** is related to the project and corresponds to the activities in the application form

Partner report consolidation



If needed, LP asks PPs for clarifications:



- minor change (i.e. no change in amount certified): LP modifies the report in iolf
- major change: LP sends back the partner report (new FLC certification)



PP + FLC always informed!



Financial corrections

- Following quality checks/audit, irregularities may be detected and corrected through a financial correction:

Home > FLC Check > Expenditure

Summary Activities summary Contact details List of contracts **Expenditure** **Financial corrections** FLC checklist FLC report

Save Check Export to Excel Reporting period 2 Version 6 (certified, Included in joint report)

4. List of Expenditure ?

Do any corrections linked to previous PRs have to be implemented in the current PR? ?

Budgetline ?	Total budget	Previously reported	Currently reported	Certified amount	Total reported so far	% of Total reported so far	Financial correction	Remaining budget
Staff costs <input checked="" type="checkbox"/>	127,332.00	26,048.42	22,631.50	22,631.50	48,679.92	38.23 %	-604.70	79,256.78
Office and administration	19,099.00	3,907.26	3,394.73	3,394.73	7,301.99	38.23 %	-90.70	11,887.71
Travel and accommodation <input checked="" type="checkbox"/>	17,626.00	2,571.75	1,303.89	1,303.89	3,875.64	21.99 %	0.00	13,750.36
External expertise and services <input checked="" type="checkbox"/>	67,810.00	2,780.47	862.19	862.19	3,642.66	5.37 %	0.00	64,167.34
Equipment <input checked="" type="checkbox"/>	0.00	0.00	0.00	0.00	0.00	0.00 %	0.00	0.00
(Net Revenue)	0.00	0.00	0.00	0.00	0.00	0.00 %	0.00	0.00
Total	231,867.00	35,307.90	28,192.31	28,192.31	63,500.21	27.39 %	-695.40	169,062.19



Online resources on iolf

The screenshot shows a video player interface. At the top left is a circular logo with the same stylized geometric shapes as the page header. To its right is the text 'Report consolidation - part 1'. Further right is the 'Interreg Europe' logo, with 'Interreg' in a larger font and 'Europe' below it. Below the logo is the text 'European Union | European Regional Development Fund'. To the right of the logo are icons for 'Ver más tarde' (clock), 'Compartir' (share), and a page indicator '1/4'. Below the header is a large play button icon in the center of the text 'How to consolidate report in iOLF'. Below that is the text 'Partner report consolidation widget'.

<https://www.interregeurope.eu/projects/implement-a-project/>

Time for questions



Eligibility rules & budget lines





General principles

Different levels of rules must apply:

- European: EU regulations
- Programme
- National
- Partner/institutional

* The strictest rule must always apply



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 during the **period** covered by the partner report





Eligibility period

Eligibility period from **26 March 2019** until project end date (deadline to submit last PR = last day of project)



First reporting period (*4th call*):

Costs eligible from **26 March 2019** until 31 January 2020 (do not include costs paid out after!)



Preparation costs – lump sum

Lump sum of EUR 15,000 per project paid out to lead partner:

- Covers costs linked to the preparation of the application
- Added only to the reported lead partner's expenditure in PR1
- Distribution among partners organised internally by project partnership agreement (*Article 6 of partnership agreement*).



No supporting evidence required!



Phase 2 – Lump sum

- EUR 17,000 per policy instrument addressed
- Coverage of all costs related to **phase 2 activities**
- Allocated to the LP's budget and paid out with approval of last PR
- Shared among the partners on the basis of the project partnership agreement (*Annexe V in partnership agreement*)



Phase 2 – Lump sum

No outputs
=
No payment of lump sum





Phase 2 – Lump sum

- No real costs reporting in phase 2!
- Only supporting documents proving the delivery of phase 2 outputs (FLC check performed by JS)

Ex : participant list for final dissemination event

▶ *check out **section 7.4** programme manual*

What does it mean for Phase 1 closure ?



- Make sure all costs related to phase 1 are included in the last PR of phase 1 (incurred)
- No delayed payments will be reported in phase 2
- No extension of phase 1



Phase 1 – Real costs

- 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



Calculating staff costs

Only 3 calculation methods :

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?



Claiming staff costs

Who can claim staff time?

Staff members of partner organisations!

Who can be considered a staff member?

- Salary payments, i.e., staff members are registered into the payroll of the organisation;
- Employment/ work document signed

Work situations like secondment, self-employed people, visiting experts, etc. → external expertise and services

Points of attention





- Items requiring pre-approval from JS
- Gifts & promotional materials
- Public procurement
- Suspicion of fraud
- State aid



1. Items requiring pre-approval

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

- Equipment if not planned at application stage
- Activities/travel outside the programme area

2. 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*

3. Public procurement (I)



- Common project management area with findings!
- No programme-specific rules
- Compliance with EU requirements above the thresholds (Directive 2014/24/EU)
- Mind the notion of ‘cross-border interest’
- Otherwise, relevant national, sectorial or internal rules to be applied (depending on the value of the contract)

3. Public procurement (II)

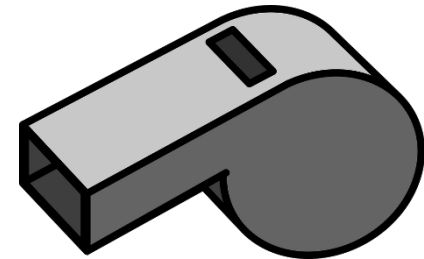


- Extremely careful with direct award procedure ('emergency reasons')
- Purchase of goods or services with a specific provider should in principle be justified
- No shared costs, i.e., the partner contracting is the one claiming the costs
- FLC to check potential conflict of interests during tenders

4. Suspicion of fraud



How can the MA/JS be informed ?



- whistleblowing procedure for general public/beneficiaries (available at <https://www.interregeurope.eu/about-us/anti-fraud-policy/>)
- specific reporting template for FLC in iolf

Home > FLC Check > FLC report

Summary ✓ Activities summary ✓ Contact details ✓ List of contracts ✓ Expenditure ✓ FLC checklist ✓ **FLC report**

Save Check for errors Back to list FLC report FLC certificate **Report on fraud**

First level control report ⓘ



5. State aid

- First check performed by the JS during assessment (description of activities in AF)
- FLC to check during implementation that no state aid activities are carried out (= in line with AF)
- Limited risks due to the nature of the activities carried out

Getting support



1. Programme Manual (last version on our website)
2. Video tutorials on our website
<https://www.interregeurope.eu/projects/implement-a-project/>
3. Contact your **LP** in case of questions who will contact the responsible PO/ FO (and CO) at the JS





Next dates!

21-23 January in Budapest : seminar for Lead Partners
(finance, activity, communication)

March (online) : webinar on reporting for all partners

Time for questions





Thank you!

www.interregeurope.eu



**Interreg
Europe**



European Union | European Regional Development Fund

Interreg Europe secretariat

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