

The REMEDI project: Financial issues and STEERING COMMITTEE MEETING

Session V Management and Financial Issues

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Work Package 1 – Financial Issues

- 1) Expenditure foreseen in Subsidy contract
- 2) Level of expenditure foreseen for each partner
- 3) Level expenditure reached by each partner
- 4) First level control selection: state of the art
- 5) Audit Trail
- 6) Calendar of submission of payment claims and progress reports
- 7) use of Synergie CTE

Reference Documents: Project Documents

- ✓ Application Form of REMEDIO
- ✓ Partnership Agreement
- ✓ Subsidy Contract

1) Subsidy Deadline and Progress Report

Implementation period	Total budget per period	ERDF €
1st Implementation period (01/07/2016-31/12/2016)	€ 30.000,00	€ 25.500,00
2nd Implementation period (01/01/2017-30/06/2017)	€ 345.440,95	€ 293.624,81
3rd Implementation period (01/07/2017-31/12/2017)	€ 400.000,00	€ 340.000,00
4th Implementation period (01/01/2018-30/06/2018)	€ 700.000,00	€ 595.000,00
5th Implementation period (01/07/2018-31/12/2018)	€ 350.000,00	€ 297.500,00
6th Implementation period (01/01/2019-30/06/2019)	€ 390.071,55	€ 331.560,82

First Progress Report

Timeframe of implementation

Semester II
from 01/01/2017 to 30/06/2017

Total expenditures forecast in Subsidy Contract

The goal is € 345.440,95

How each partner can contribute?

Expenditures foreseen for partners:

Committment by each partner to LP in order to build up the Subsidy Contract

Imp. period	ARPAV	Treviso	AUTH	IST	USE	MDA	SPLIT	CML
1°	14.555,05	2.500,00		3.900,00	4.160,00		2.500,00	2.380,95
2°	2.665,18	33.670,00		71.700,00	71.475,17		35.050,00	130.880,00
3°	87.653,38	46.320,00		68.475,00	43.127,17		85.550,00	68.874,45
4°	32.920,38	128.670,00	193.065,00	62.005,50	42.824,67	93.750,00	125.150,00	21.614,45
5°	138.291,28	101.715,00		40.677,00	48.787,17		10.750,00	9.779,55
6°	67.860,72	13.605,00	169.385,00	5.875,00	27.125,83	93.750,00	8.500,00	3.970,00

What is the effective expenditure level that each partner can certified?

Total expenditures certified for the first period per partner (foreseen)

Imp. period	ARPAV	Treviso	AUTH	IST	USE	MDA	SPLIT	CML
FORESEEN	2.665,18	33.670,00		71.700,00	71.475,17		35.050,00	130.880,60
REAL	48.000,00	56.000,00	22.000,00	27.543,00	65.000,00		24.160,00	18.423,00
GAP	45.334,82	22.330,00	22.000,00	-44.157,00	-6.475,17		-10.890,00	-84.314,95

First Progress Report

Subsidy goal is € 345.440,95

**The foreseen certified expenditures
are: 261.126,00**

Decommitment risks

Claiming Payments lower than foreseen amounts on the project gives no guarantee that the undeclared ERDF amount is available for the following periods

✓ **All REMEDIO Partners must try to account the entire amount foreseen for each period!**

Checks the expenditures:WHO AND HOW

WHO: the Article 23 (4) of Regulation (EU) No 1299/2013, it is the responsibility of each Member State to set-up a first level control system and designate the controllers responsible for verifying that the expenditure declared by beneficiaries from its territory complies with the applicable law and the Programme rules

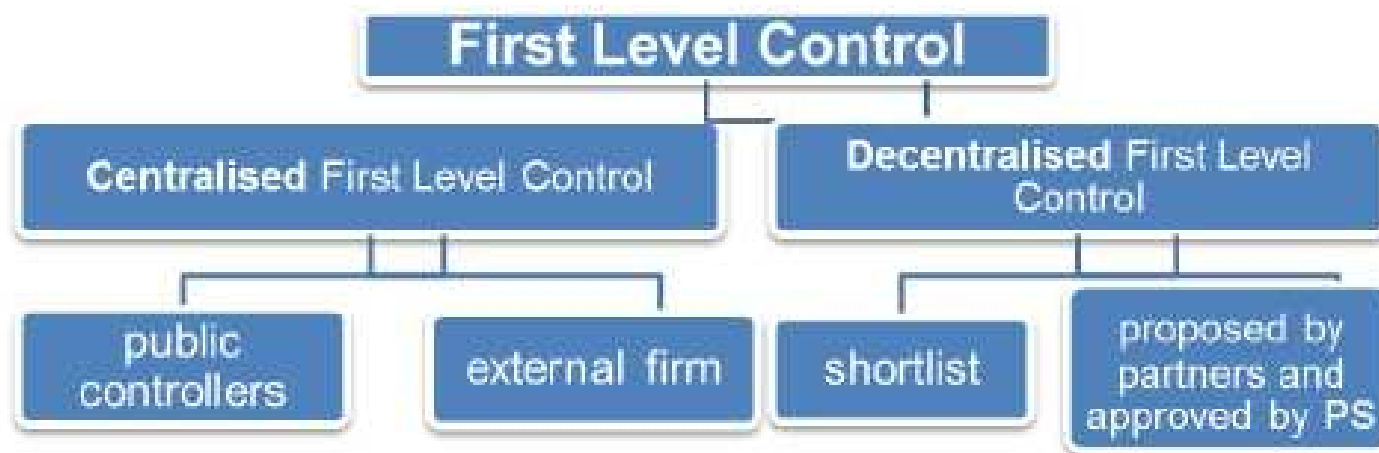
Checks the expenditures: WHO AND HOW

HOW: The FLC verify

- ✓ The compliance of project partner expenditures controlled under the rules set in the Programme Manual;
- ✓ The date entered by the partner in Synergie CTE;
- ✓ Validate the partner expenditures and fill-in a checklist in Synergie CTE regarding the control performed;
- ✓ Validate in Synergie CTE a FLC certificate (containing an official commitment on validation of expenditures, the control checklist and a list of verified expenditure) indicating the amounts presented, validated and rejected, (a template of FLC certificate is available in the Programme website);
- ✓ Print, sign and stamp the FLC certificate in order to be included in the partner audit trail;
- ✓ By signing the FLC certificate including the declaration of validation of expenditures, the controller confirms all the items and declares the proper use of funds. This statement should be based on proper checks as well as on a checklist whose format is provided by the Programme.

First level control

Different National FLC Systems:



Centralize System (GREECE AND CROATIA): a NATIONAL CENTRAL PUBLIC Body controls expenditures of all partners from its territory:

- ✓ Partners should contact the national body in charge of FLC or their national contact point who will inform them about the First Level Control procedure to be followed for the certification of expenditures (name and contact of the controller(s), timeframe and deadlines, compulsory documents,...).
- ✓ Partners whose national system is centralized should send their declarations of expenditures to their national public body for certification before their inclusion in a project payment claim.
- ✓ Control costs may be borne by the State or by the beneficiaries and are, in this case, eligible as project expenditures (refer to your National Control System description for details).

Decentralize System (All other partners**):** **The FLC is selected by the partners, and approved by the** **approbation body designed by the partners State (1/2)**

- ✓ The partners contact the national/regional body in charge of the FLC approval or their national contact point, which will inform them about the procedure to be followed in order to have their FLC approved (specific terms for selection of FLC, documents to be provided,...).
- ✓ The partner will then fill out a form - provided by the national / regional body - detailing the choice of controller and qualifications. Upon receipt, the central national / regional approbation body will assess the information provided and validate the choice of the controller.
- ✓ Once approved by the approval national/regional body, the partner must include the information of the approved FLC in Synergie CTE in order to grant him/her access to the on line monitoring tool of the Programme.
- ✓ Partners must send their declarations of expenditures to their approved FLC and obtain certifications before their inclusion in a project payment claim.

Decentralize System (All other partners): **The FLC is selected by the partners, and approved by the** **approbation body designed by the partners State (2/2)**

- ✓ In some Participating States, the expenditures certified by FLC must be validated at national level before their inclusion in a project payment claim. In these cases, timing for certification process should be adjusted and the national validation accompanying each certificate will be uploaded on SYNERGY CTE and provided by the PPs when submitting their certificates to their Lead Partner.
- ✓ Control costs borne by beneficiaries are eligible (refer to your National Control System description for details).
- ✓ If, during the project implementation, a new FLC is appointed, a new approval has to be provided.
- ✓ If an external controller is selected by the project partner, this controller has to be chosen in line with public procurement rules.

What is the state of the art of selection procedure for each partners involved by the Decentralize system?

Imp. period	ARPAV	Treviso	AUTH	IST	USE	MDA	SPLIT	CML
Procedure	Closed	Just started	—	Selection procedure in final stage	Closed	—	NCP to be contacted to clarify procedure & timeframe	Just started

BE CAREFUL TO THE TIME FRAME FOR THE FLC VERIFICATIONS

- ✓ Enter your expenditures in Synergie-CTE as soon as possible
- ✓ FLC at the end of the reporting period performs the control without delay.
- ✓ The exchanges between the controlled partner and the FLC should be fluid in order to speed up the control.
- ✓ The partner has to foresee a time of exchanges and clarifications with the FLC.
- ✓ Once the FLC declaration is signed by the controller and the partner report filled-in by each beneficiary; the full documentation should be made available to the project lead partner, or, where applicable, sent to the national authorities in charge of issuing the national validations (case of **Spain and Portugal** Only).
- ✓ 2 months after the end of the reporting period, the LP should receive the full documentation from each partner (FLC certificate + eventual National validation) duly filled-in and signed, and all their annexes.
- ✓ The LP should gather all partners' documentation on time in order to prepare the project payment claims and related report of activities and to send it to the JS.

Progress report check:

Each Partner

1. Inserts regularly the expenditures in Synergie CTE
2. Sends the data concerning the expenditures to the First Level Controller
3. First Level Controller checks the expenditure and validates them
4. FLC sends the signed and stamped control report to the Partner
5. The Partner sends the report to the LP

Time frame for first report

Activities	30th June 17	31st of July	31th of August	30th of September
End of First IP				
PPs insert expenditures in Synergies				
FLC checks the expenditures and gives a certificate				
PP sends the certificate to LP				
LP gather the certificates and send them to MA				

Summary

DECLARATION OF EXPENDITURES

Each partner	<ul style="list-style-type: none"> enters activities and expenditures on SYNERGIE CTE
Lead Partner	<ul style="list-style-type: none"> validates the other partners' expenses on SYNERGIE CTE
First Level Control	<ul style="list-style-type: none"> checks partner expenditures; validates the partner expenditures and fill-in the FLC checklist in SYNERGIE CTE validates in SYNERGIE CTE the FLC certificate
National Level*	<ul style="list-style-type: none"> in some Participating States, the expenditures certified by FLC must be validated at national level before their inclusion in a project payment claim.
Lead Partner	<ul style="list-style-type: none"> gathers all the certificates and produce a payment claim + progress report on SYNERGIE CTE submits to the JS within the deadlines mentioned in the Subsidy Contract
Joint Secretariat	<ul style="list-style-type: none"> verifies the project's payment claim, address the LP in case of doubts prepares the MA certificate
Managing Authority	<ul style="list-style-type: none"> performs an additional control and ensures the precision of the payment claim, validates the MA certificate transfers the MA certificate to the Certifying Authority
Certifying Authority	<ul style="list-style-type: none"> performs an additional control draws up payment order directly to each beneficiary



REFERENCE DOCUMENTS: PROJECT DOCUMENTS

MED Programme updated tools for management in this period to
this following LINK:

[http://interreg-med.eu/toolbox/reference-documents/
Programme Manual](http://interreg-med.eu/toolbox/reference-documents/Programme Manual)

JS gives us some additional template in preview:

About staff cost

Equipment declarations

Project modification

AUDIT TRAIL:

Borne directly by the beneficiary and supported by accounting documents - An example for STAFF COST

Following main documents must be available for control purposes:

- ✓ List of staff working on the project (template provided by the Programme), signed by the project coordinator.
- ✓ Job description declaration providing information on responsibilities related to the project (template provided by the Programme), signed by the project coordinator and the employee.
- ✓ Employment document (Employment/work contract or an appointment decision/contract), including the name of the project and additional specific information depending on the type of method used.

Technical Progress Reports:

Have to be submitted by each partner through the monitoring system SYNERGIE CTE and validated online, in order to provide:

- ✓ the FLC for his control activities and
- ✓ the LP with the relevant information on partner activities during the reporting period

Technical Progress Report:

The main information requested in the PR concerning project's implementation are:

- ✓ Highlight of main achievements
- ✓ Level of achievement of project specific objectives
- ✓ Project main outputs achievement
- ✓ Details on target groups reached
- ✓ Description of activities per WP
- ✓ Main deliverables and outputs produced
- ✓ Justification of possible deviations from original plan (where relevant) and problems that occurred during the reporting period

Technical Progress Report:

Now we access to Synergie in order to have a general overview of necessary informations:

LINK: <https://synergie-cte.asp-public.fr/>

Additional slides not shown at the meeting are here on added as useful tool for reporting activity

ELIGIBILITY PERIOD of EXPENDITURES

Expenditure is eligible according to the following periods:

- ✓ Costs for project **implementation**:
Start: 27/09/2016
End: official ending date + 2 months only for payment
- ✓ Costs for project **closure** :
incurred, invoiced and paid out **within two months** after
the official ending date of the project

BUDGET LINES

Commission Delegated Regulation (EU) No 481/2014

- ✓ Staff costs
- ✓ Office and administrative expenditure
- ✓ Travel and accommodation costs
- ✓ External expertise and services costs
- ✓ Equipment expenditure

Exhaustive list of eligible expenditures for each Budget Line

- ✓ General principles of expenditures allocated under each Budget Line
- ✓ Method of calculation (if needed)
- ✓ Accounting documents to be used for control purposes (audit trail)

More detailed information on Programme Manual

BUDGET LINE : 1) STAFF COSTS

- ✓ Costs of staff employed by the beneficiary for implementing the project; already employed by the beneficiary or contracted specifically for the project
- ✓ It includes **salary payments + any other costs directly linked to salary payments supported by the beneficiary**
- ✓ Calculated **based on real costs using compulsorily one of the 4 methods established by the Programme**

Audit trail

- ✓ **Employment document** for each staff member
- ✓ **A list of the staff working on the project** that includes all the staff involved in the project
- ✓ **A job description** for each staff member
- ✓ Specific documents depending on the method selected

BUDGET LINE : 1) STAFF COSTS

4 METHODS FOR THE CALCULATION OF STAFF COSTS

Method A: Full-time in the project

- No other tasks
- No timesheet
- Full salary

Method B: Part-time in the project–fixed% of time

- No timesheet
- % for all implementation period
- May be updated every semester

Method C: Part-time in the project–flexible number hours

- Timesheet needed
- Hourly rate calculation based on : salary / 1,720 hours
- Hourly rate updated every semester
- At least 12 months in the organisation

Method D: Contracted on an hourly basis

- Hourly rate cost established by contract
- Timesheet needed

BUDGET LINE : 1) STAFF COSTS

Method A: Full-time in the project

- ✓ New staff hired to work only for the project

Method B: Part-time in the project–fixed% of time

- ✓ No hourly rate in contract
- ✓ Part-time in the project
- ✓ Every month 25% of time

Method C: Part-time in the project–flexible number hours

- ✓ No hourly rate in contract
- ✓ Part-time in the project
- ✓ Maybe in the future will work in other projects
- ✓ Only for the organization on events

Method D: Contracted on an hourly basis

- ✓ Hourly rate in contract

List of staff + Job descriptions

May be updated at the end on each implementation period with limits:

- Part-time : fixed % (B) to variable number of hours (C), and vice versa
- Changes of fixed % in the middle of a implementation period

BUDGET LINE : 1) STAFF COSTS

How to select a method of calculation of the staff costs?

1) Which type of employee's contract?

- ✓ Labor contract
- ✓ Only for the project
- ✓ Fixed hourly rate
- ✓ Less than 12 months in the structure

2) Does the employee work on other task of the structure?

- ✓ Other MED or Interreg projects
- ✓ At this moment, in the future

3) Linear and fluctuating involvement in the project?

- ✓ Part-time
- ✓ Principle of proportionality
- ✓ Audit trail needs

GOOD PRACTICES

- Understand the method(s) used
- Use the same method for staff members participating in several MED projects
- Use the same method for staff participating in several Interreg projects (if possible)

BUDGET LINE : 1) STAFF COSTS

Changes and submission of documents :

- ✓ Documents submitted within the first FLC certificate including staff costs
- ✓ After any modification during the relevant reporting procedure

Exceptional situations that allow methods changes :

- ✓ Changes in the staff working in the project
- ✓ Changes in the employment documents
- ✓ Changes in the level of involvements of the partner (module passage)
- ✓ Changes in the participation of the partner (project change)
- ✓ Changes in the tasks and responsibilities of the employee

LIMITS: Not possible :

- ✓ Part-time : fixed % to variable number of hours, and vice versa
- ✓ Changes of fixed % in the middles of a implementation period

BUDGET LINE : 2) OFFICE AND ADMINISTRATIVE EXPENDITURE

- ✓ Represents **15% of eligible staff costs**
- ✓ Automatically calculated by SYNERGIE CTE after validation of the staffs costs by the FLC
- ✓ It covers all the operating and administrative expenses of the structure (e.g.rent, utilities, maintenance, equipment for general office use, phone, bankcharges, etc...)
- ✓ No need to provide supporting documents. No calculation method required

**Direct costs falling under this budget line
are not eligible**

BUDGET LINE : 3) TRAVEL AND ACCOMMODATION COSTS

- Expenditure on travel and accommodation of the **staff of the beneficiary** for missions (e.g. participation in project meetings, project site visits, meetings with the programme bodies, seminars, conferences, etc.).
- Most cost-effective way.
- National maximum daily rates for hotel and subsistence must be respected.
- Unused travel tickets are not eligible.
- In the case of travels outside of the MED area:
 - ✓ indicated in the approved Application Form
 - ✓ Authorised by the MA/JS **prior to the travel**

BUDGET LINE : 4) EXTERNAL EXPERTISE AND SERVICES COSTS

- Costs of external expertise and services provided by a **body outside of the beneficiary** organisation (e.g. studies and surveys, translation, promotion and communication, services related to meetings and events, audits, travel of experts).
 - ✓ Sub-contracted
 - ✓ In-house companies
- Full respect of EU, Programme and national (including stricter institutional) public procurement rules and compliance with the principles of transparency, non-discrimination and equal treatment.

No sub-contracting between project partners or associated partners is allowed.

BUDGET LINE : 5) EQUIPMENT EXPENDITURE

- ✓ Equipment purchased, rented or leased by a beneficiary which are essential for the implementation of the project.
- ✓ Full respect of EU, Programme and national (including stricter institutional) **public procurement rules** and compliance with the principles of transparency, non-discrimination and equal treatment.
- ✓ Need to be specified in the application form or approved by the JS

Equipment for general office use not used exclusively for the project covered by the budget line OFFICE AND ADMINISTRATIVE EXPENDITURE = cost not eligible under equipment budget line

Different rules for each sub-budget line

BUDGET LINE : 5) EQUIPMENT EXPENDITURE

TECHNICAL EQUIPMENT


+



+



+


NEW!



SMALL SCALE
INVESTMENT



BUDGET LINE : 5) EQUIPMENT EXPENDITURE

	Thematic equipment	Small scale investment
Definition and examples	Tools, devices and goods purchased or already in the possession of a partner, linked to (or forming part of) the project outputs necessary for the successful implementation of a pilot activity	Facilities or infrastructures of limited size or scope necessary for the successful implementation of a pilot activity.
Exclusive use for the project	Not necessary	Yes
Amount to be claimed	In full (if exclusively used for the project) or pro-rata (if shared use with other projects), according to a depreciation plan	In full, no depreciation plan needed
Activities linked to	Content-related WP	Testing WP – Module 2 testing type of project

Different rules for each sub-budget line.
In case of doubt contact the JS

PUBLIC PROCUREMENT

Levels of rules to be applied:

- EU rules
- National rules
- Interreg MED Programme rules

For contracting amounts above **EUR 5.000,00** (excl.VAT)
kindly ask for **at least three offers** from three different
providers :

- ✓ Stricter national and internal rules must be applied
- ✓ All partners, public and private

NATIONAL CONTACT POINT

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NATIONAL CONTACT POINT

FACT SHEETS

- 1 ELIGIBILITY
- 2 STAFF
- 3 DURABLE GOODS
- 4 CONSUMABLE GOODS
- 5 TRAVEL AND ACCOMODATION
- 6 EXTERNAL EXPERTISE
- 7 SERVICES
- 8 PROMOTION, INFORMATION & PUBBLICATION
- 9 OVERHEADS
- 10 OTHER
- 11 REVENUES

TO BE CONTINUED...

CONTINUED...

- 12 SHARED COSTS
- 13 DECOMMITMENT
- 14 PARTHERSHIP AGREEMENT
- 15 SUBSIDY CONTRACT
- 16 PROJECT CHANGES
- 17 FINANCIAL FLOW
- 18 AUDIT TRAIL
- 19 PUBLIC PROCUREMENT
- 20 STATE AIDE
- 21 REPORTING