

Eligibility of expenditure

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INFODAY
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Aim of the session

Provide elements useful for the comprehension of eligibility of expenditure rules, in order to submit the project application form and outline:

- **News**



- **Simplification**



Laid down within the Programme

Index

- Legislative Sources and Hierarchy
- Category Costs/Budget Lines of the Programme
- Eligibility and timing, and preparatory costs
- Specific rules on accountancy and info and publicity

Rules for INTERREG Italia – Slovenia Programme

EU Regulations:

- **Reg.(UE) n. 1303/2013 General Regulation of ESI funds**
Reg. (UE) 1301/2013 reg. FESR
- **Reg.(UE) 1299/2013 Regulation on European Territorial Cooperation**
- Delegated Reg. (UE) n. 480/2014 of the Commission, 3 march 2014, implementing reg. (UE) n. 1303/2013 on results financial corrections, engineering financial instruments, Net revenues calculation, indirect cost rates, major projects, audit trail and data to be recorded, audits and sampling methods

- **Reg.(UE) 821/2014 on implementation of Gen. Reg. about funds transfer and management of Programme Contributions, reporting financial instruments, technical issues of information and publicity measures, and informatic system of recording and data storing**
 - Reg.(UE) 1011/2014 and reg. (UE) 184/2014 about detailed rules for information exchange between programme Actors

Most Important :

- **Delegated Regulation (UE) 481/2014 About eligibility of expenditure in ETC**

Which rules lead eligibility of expenditure in INTERREG ITALY SLOVENIA Programme

1. UE Regulation:
 - 1) General (n. 1303)
 - 2) ERDF (n. 1301)
 - 3) ETC (n. 1299)
 - 4) Delegated reg n. 481/2014

2. Specific Programme Rules on eligibility of expenditure (Manual on Eligibility of Expenditures attached to the call)

3. National and regional rules (for Italy approved in final review by the Council of Ministers of 19 January 2018, a regulation to be implemented by decree of the President of the Republic, laying down the criteria on the eligibility of expenditure for programmes co-financed by the Structural Funds of European Investment (SIE) for the 2014-2020 programming period)

1. Staff costs;
2. Office and administrative expenditure;
3. Travel and accommodation costs;
4. External expertise and services costs;
5. Equipment expenditure;
6. Infrastructural Investments and works

In Interreg ITA-SLO 14-20 **not** eligible in kind contributions



(for any other NOT eligible expenditure please refer to the Manual on Eligibility of Expenditures for strategic projects)

1 – Staff Costs

Who:

- Permanent employees of the beneficiary
- Temporary employees of the beneficiary (full or part-time)



what:

- salary payments raising from the work contract
- Other costs directly linked to the salary (taxes, social contributions, pensions quota, extra salaries...) provided they are stable and cyclic (no result awards or for achieving objectives)

Expenditure Categories

1 – Staff Costs

HOW:

a) As a flat rate (simplification option)



b) On a real cost basis

Attention: NO MIX

The chosen option real costs basis or flat rate (20%, 10% or 15%) shall apply to all staff members of the beneficiary and cannot be changed during project implementation

A) Staff costs on flat rate
Art. 19 of Reg. (CE) 1299/2013

three options as choice by single beneficiary:



1. 20% of eligible direct costs other than staff with travel and accommodation included in the flat rate (no possible to report travel and accommodation)
2. 10% of eligible direct costs other than staff (it is possible to report travel and accommodation that is a direct cost)
3. 15% of eligible direct costs other than staff for private beneficiaries (it is possible to report travel and accommodation that is a direct cost)

ATTENTION

It is necessary to justify the eligibility of staff cost in the project proposal

Direct costs for staff cost calculation on flat rate basis

- Travel and Accommodation costs (except for 1st option: 20%)
- External expertise and services costs
- Equipment expenditure
- Infrastructural Investments and works

When Infrastructural Investments and works implemented through public procurement represent the essential part of the project the flat rate option is not possible but only real costs method!

Expenditure Categories

B) Staff Costs on real basis principle

1) 100% cost for staff whose activity is fully dedicated to the project (NO TIMESHEET needed): eg. Temporary contract employment contract

2) Quota of cost for staff working part-time on the project:



2a) with fixed percentage of the gross employment costs



2b) with flexible percentage of the gross employment costs

Expenditure Categories

2a) Expenditure calculated as a fixed quota of monthly gross employment cost in proportion to a fixed percentage of working time dedicated to the project = NO TIMESHEET needed

(for staff having a steady work load on the project with a % of assignment to be provided at the beginning of the project)

2b) Expenditure calculated as flexible percentage of the gross employment cost (varying number of worked hours): TIMESHEET needed. Hourly cost calculation needed

Hourly cost calculation

For ITALIAN Beneficiaries

i. Annual calculation:

Latest documented annual gross cost/1720 hours
(not necessarily related to the physical person)

if annual calculation is not possible:

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ii. Monthly calculation:

(Gross annual cost from employment document/12)/n. working
hours from employment document

For SLOVENIAN Beneficiaries

Monthly gross salary/ n. working hours as in nat. contract

2 – Office and administrative expenditure (*overheads*)

Art. 68(1) lett. b of Reg. (CE) 1303/2013

15% of staff costs
(calculated as flat rate
or real cost)



Compulsory list from Reg. 481/2014

- Office rent
- Insurances and taxes related to buildings and equipment
- Utilities
- Office supplies
- General Accountancy
- Maintenance, cleaning and repairs
- Security
- IT Systems (except costs reported under equipment)
- Communication (phone, fax, web, Internet..)
- Bank charges (including separate bank account if dedicated to the project)
- Financial charges

Items included in the above list cannot be reported under other BL

3 - Travel and accommodation costs

- Travel costs (eg. tickets, travel insurance, fuel, mileage reimbursement, park, tolls);
- Meals and accommodation
- Visa costs
- Daily allowances

Attention

- External experts T&A costs must be reported under respective BL4
- For associated partners, the first two elements are eligible to be asked as reimbursement to a “paying LP/PP” under “External expertise and services costs”: written agreement necessary between paying PP and associated PP
- Expenditure outside eligible Area must be indicated in App. Form or duly authorized by Managing Authority
- General principle of most economic way of transport must be respected and demonstrated when reporting (eg for taxi or private car)

**Remember: if flat rate 20% of staff is the chosen option
no possible to report T&A costs**

4 – External expertise and services costs

- All collaboration and contract not included in staff costs : consultants, occasionally workers, Italian «assegni ricerca» and «co.co.co», scholarships (as provided by single national rules) and their Travel and accommodation costs;
- All services needed for the implementation of project activities;
 - Studies, research, events organization, IT systems specific for the project, technical Assistance, consumables goods...;
- Also guarantees costs provided by a bank or other institution if required by law

For all procurement procedures
(also valid for next budget lines)

- Strict respect of national public procurement rules
- New Programme thresholds : >250,00 € (up to national thresholds) compulsory for all beneficiaries **request of at least 3 offers**

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Expenditure Categories

4 – *External expertise and services costs*



In this cost categories also...

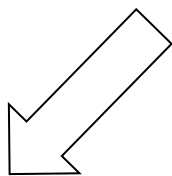
- Agreements between Public Bodies: to be reported through real costs principle, following the rules of the single cost categories of the related expenditure
- In house Contracts: to be assigned following EU and national rules, and reported with no real costs principle, but reporting costs incurred y in house body

5 – Equipment expenditure

Purchase, rental or lease of equipment (not foreseen as administrative cost as in related list) :

Office equipment, IT hardware e software, furniture and fittings, laboratory equipment, instruments and machinery, tools and devices, vehicles, other specific equipment needed for the project.

If equipment used for project management (pc, printers, projectors ...) eligible only pro quota following depreciation principle; 100% cost eligible only if used exclusively for project purpose and depreciation is shorter than project duration



If technical equipment eligible 100% : provided that equipment is used for the achievement of project objectives, and the maintenance of properties and use is guaranteed for at least 5 years from date of final payment



6 – Infrastructural Investments and works

INTERREG ITA-SLO 14-20 PROGRAMME allows this cost category in addition to list of Reg.(UE) 481/2014.

This Cost Category refers to :

- A. Purchase of land (no more than 10% of project budget)
- B. Restoration and recovery of buildings
- C. Building Interventions

The beneficiary, public or private, must own the real estate on which the intervention is realized, except:

- If the property/land is owned by public body: required a lease/rent or concession for at least 5 years duration after project end, meaning last payment.
- If the property/land is private : the beneficiary must own property rights in rem to be maintained for at least 10 years after project end, meaning last payment

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- Eligibility period of the expenditure will be indicated in subsidy contract (start date & end date)

 - + 3 months from end date of the project

invoices issued within 1 month from the project end and paid within the following 2 months, provided that activities have to be closed before end date

- Preparatory costs:

 - For application form preparatory activities, incurred between 28/02/2017 and the date of project submission, paid within 3 months from call deadline and reported in 1st report.

 - Limit: 20.000,00 €

 - Eligible costs are: Staff (not flat rate), External expertise and services, and T&A costs

SEPARATE ACCOUNTING for public and private beneficiaries

- No more stamps on expenditure documents, neither originals
- **Compulsory to have “CUP” code** or other adequate code referred to CUP:
 - On invoices, or other equivalent probative value documents
 - Absolutely compulsory on payment documents in order to respect accounting separation for project costs

OTHERWISE INELIGIBLE EXPENDITURE

Not applicable for staff costs, preparatory costs, pro quota costs, and flat rate expenditure

VISUAL IDENTITY and PUBLICITY REQUIREMENTS

- Respect of Programme Manuals for visual identity
- All project outputs must have Programme Project logos (with ACRONIM of the project, UE and INTERREG ITA-SLO logos).
- On Beneficiary website
- POSTER minimum A3 in offices
- Information for all participants to events

- For infrastructural investments > 500.000€ billboard during works
- Adequate plaque or billboard within 3 months by conclusion of public works , also for items or other infrastructure or building <500.000€

Specific programme rule :

No eligible cost for development of independent website and logos project, as it is compulsory to implement project information in the Programme website managed by JS

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**Thank you for the attention!
Grazie per l'attenzione!
Hvala za pozornost!**

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