COMMISSION DELEGATED REGULATION (EU) No 481/2014

of 4 March 2014

supplementing Regulation (EU) No 1299/2013 of the European Parliament and of the Council with regard to specific rules on eligibility of expenditure for cooperation programmes

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal ([1]), and in particular Article 18(1) thereof,

Whereas:

(1) Pursuant to Article 18(1) of Regulation (EU) No 1299/2013, it is necessary to lay down specific rules on eligibility of expenditure for cooperation programmes with regard to staff costs, office and administrative expenditure, travel and accommodation costs, external expertise and services costs and equipment expenditure (hereinafter 'expenditure categories').

(2) To allow flexibility in the application of the eligibility rules to cooperation programmes Member States participating in a given cooperation programme should be allowed to decide that a given expenditure category does not apply to a specific priority axis of a given cooperation programme.

(3) It should be specified how the specific rules on eligibility of expenditure for cooperation programmes laid down in this Regulation fit into the general legal framework on eligibility rules applicable to all ESI Funds as set out in Articles 65 to 71 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council ([2]).

(4) For each expenditure category, a list of different expenditure elements should be set out.

(5) It should be clarified that, as a general rule, gifts are ineligible. However, the distribution of small items related to promotion, communication, publicity or information should be eligible.

(6) The different elements of staff costs should be determined, together with rules on the calculation, accounting and reimbursement of staff costs in general and of part-time assignment or service contracts on an hourly basis in particular.

([1]) OJ L 347, 20.12.2013, p. 259.

([2]) Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

(7) The different elements of office and administrative expenditure should be listed, together with rules on the calculation, accounting and reimbursement of such cost elements either as direct or indirect costs, in particular where combined with flat rates under Regulation (EU) No 1303/2013.

(8) The different elements of travel and accommodation costs should be listed, together with rules on the calculation, accounting and reimbursement regardless of whether such expenditure is incurred by the beneficiary or directly by its staff. The conditions under which travel and accommodation costs should be accounted for if spent outside the Union part of the programme area as referred to in Article 20 of Regulation (EU) No 1299/2013 should also be clarified.

(9) The different elements of external expertise and service costs should be listed.

(10) The different elements of equipment expenditure should be listed, together with rules on the eligibility of second-hand equipment.

(11) In order to allow for the prompt application of the measures provided for in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

1. Without prejudice to the eligibility rules laid down in or on the basis of Articles 65 to 71 of Regulation (EU) No 1303/2013, this Regulation sets out specific rules on eligibility of expenditure for cooperation programmes with regard to the following expenditure categories:

(a) staff costs;

(b) office and administrative expenditure;

(c) travel and accommodation costs;

(d) external expertise and services costs; and

(e) equipment expenditure.

2. The participating Member States in the monitoring committee of a cooperation programme may agree that, expenditure falling under one or more of the categories referred to in paragraph 1 shall not be eligible under one or more priority axes.

Article 2

General provisions

1. Any expenditure eligible in accordance with this Regulation, paid by or on behalf of the beneficiary, shall relate to the costs of initiating or initiating and implementing an operation or part of an operation

2. The following costs are not eligible:

(a) fines, financial penalties and expenditure on legal disputes and litigation;

(b) costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;

(c) costs related to fluctuation of foreign exchange rate.

Article 3

Staff costs

1. Expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary in one of the following ways:

(a) full time;

(b) part-time with a fixed percentage of time worked per month;

(c) part-time with a flexible number of hours worked per month; or

(d) on an hourly basis.

2. Expenditure on staff costs shall be limited to the following:

(a) salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment/work contract, an appointment decision (both hereinafter referred to as 'employment document') or by law, relating to responsibilities specified in the job description of the staff member concerned;

(b) any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions as covered by Regulation (EC) No 883/2004 of the European Parliament and of the Council [1] provided that they are:

  (i) fixed in an employment document or by law;

  (ii) in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working; and

  (iii) not recoverable by the employer.

With regard to point (a), payments to natural persons working for the beneficiary under a contract other than an employment/work contract may be assimilated to salary payments and such a contract considered as an employment document.

3. Staff costs may be reimbursed either:

(i) on a real cost basis (proven by the employment document and payslips); or

(ii) under simplified cost options as set out in Article 67(1)(b) to (d) of Regulation (EU) No 1303/2013; or

(iii) as a flat rate in accordance with Article 19 of Regulation (EU) No 1299/2013.

4. Staff costs related to individuals who work on part-time assignment on the operation, shall be calculated as either:

(a) a fixed percentage of the gross employment cost, in line with a fixed percentage of time worked on the operation, with no obligation to establish a separate working time registration system; or

(b) a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.

5. For part-time assignments under point (a) of paragraph 4, the employer shall issue a document for each employee setting out the percentage of time to be worked on the operation.

6. For part-time assignments under point (b) of paragraph 4, the reimbursement of staff costs shall be calculated on an hourly rate basis determined either by:

(i) dividing the monthly gross employment cost by the monthly working time fixed in the employment document expressed in hours; or

(ii) dividing the latest documented annual gross employment cost by 1 720 hours in accordance with Article 68(2) of Regulation (EU) No 1303/2013.

The hourly rate shall be multiplied by the number of hours actually worked on the operation.

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[1] Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1).

7. As regards staff costs related to individuals who, according to the employment document, work on an hourly basis, such costs shall be eligible applying the number of hours actually worked on the operation to the hourly rate agreed in the employment document based on a working time registration system.

Article 4

Office and administrative expenditure

Office and administrative expenditure shall be limited to the following elements:

(a) office rent;

(b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances);

(c) utilities (e.g. electricity, heating, water);

(d) office supplies;

(e) general accounting provided inside the beneficiary organisation;

(f) archives;

(g) maintenance, cleaning and repairs;

(h) security;

(i) IT systems;

(j) communication (e.g. telephone, fax, internet, postal services, business cards);

(k) bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened;

(l) charges for transnational financial transactions.

Article 5

Travel and accommodation costs

1. Expenditure on travel and accommodation costs shall be limited to the following elements:

(a) travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);

(b) the costs of meals;

(c) accommodation costs;

(d) visa costs;

(e) daily allowances.

2. Any element listed in points (a) to (d) of paragraph 1 covered by a daily allowance shall not be reimbursed in addition to the daily allowance..

3. The travel and accommodation expenses of external experts and service providers fall under external expertise and services costs listed in Article 6.

4. Direct payment of expenditure under this Article by an employee of the beneficiary shall be supported by a proof of reimbursement by the beneficiary to that employee.

5. For operations concerning technical assistance or promotional activities and capacity-building, expenditure incurred outside the Union part of the programme area shall be eligible, if incurred in accordance with Article 20(3) of Regulation (EU) No 1299/2013.

6. The managing authority may accept the costs of accommodation and meals taken in establishments located outside the Union part of the programme area as eligible, if incurred in accordance with Article 20(2) of Regulation (EU) No 1299/2013. This shall also apply to local travel costs at the location of an event or an action outside the Union part of the programme area.

7. For the staff of beneficiaries located outside the Union part of the programme area, the managing authority may accept costs referred to in paragraph 1, including costs of travel to and from the location of an event or an action inside or outside the Union part of the programme area, as eligible, if incurred in accordance with Article 20(2) of Regulation (EU) No 1299/2013.

8. For the staff of beneficiaries located inside the Union part of the programme area the costs referred to in paragraph 1, including costs of travel to and from location of an event or an action inside or outside the Union part of the programme area, shall be considered eligible in accordance with Article 20(1) of the Regulation (EU) No 1299/2013.

Article 6

External expertise and services costs

Expenditure on external expertise and service costs shall be limited to the following services and expertise provided by a public or private law body or a natural person other than the beneficiary of the operation:

(a) studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);

(b) training;

(c) translations;

(d) IT systems and website development, modifications and updates;

(e) promotion, communication, publicity or information linked to an operation or to a cooperation programme as such;

(f) financial management;

(g) services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);

(h) participation in events (e.g. registration fees);

(i) legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;

(j) intellectual property rights;

(k) verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013;

(l) certification and audit costs on programme level under Articles 126 and 127 of Regulation (EU) No 1303/2013;

(m) the provision of guarantees by a bank or other financial institution where required by Union or national law or in a programming document adopted by the monitoring committee;

(n) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;

(o) other specific expertise and services needed for operations.

Article 7

Equipment expenditure

1. Expenditure for the financing of equipment purchased, rented or leased by the beneficiary of the operation other than those covered by Article 4 shall be limited to the following:

(a) office equipment;

(b) IT hardware and software;

(c) furniture and fittings;

(d) laboratory equipment;

(e) machines and instruments,

(f) tools or devices;

(g) vehicles;

(h) other specific equipment needed for operations.

2. Purchase costs of second-hand equipment may be eligible subject to the following conditions:

(a) no other assistance has been received for it from the ESI Funds;

(b) its price does not exceed the generally accepted price on the market in question;

(c) it has the technical characteristics necessary for the operation and complies with applicable norms and standards.

Article 8

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 4 March 2014.

For the Commission
The President
José Manuel BARROSO