

INTERREG IPA CBC

“GREECE ALBANIA 2014-2020”

Gjirokaster 25/02/2020
Korca 26/02/2020

FIRST LEVEL CONTROL

ELIGIBILITY OF EXPENDITURES

1. EUROPEAN LEGISLATIF FRAME (1/18)

1. Regulation (EU) 1303/2013, Common Provisions,
2. Regulation (EU) 1299/2013, Specific Provisions for the support from the European Regional Development Fund to the European Territorial Co-operation goal,
3. Regulation (EU) 447/2014, Pre-accession assistance (IPA II)
4. Regulation (EU) 481/2014, eligibility of expenditure for Cooperation Programmes,
5. European Commission Guidance for Member States on Management Verifications (EGESIF 14_12 final 2015).

2. ELIGIBILITY OF EXPENDITURE (2/18)

GENERAL RULES ON THE ELIGIBILITY OF EXPENDITURE

Expenditure are eligible since they shall meet the following general criteria:

They comply with the principle of sound financial management, i.e. principles of **economy, efficiency** and **effectiveness**.

The **principle of economy** requires that the resources used by the beneficiary for the implementation of an action of the approved project shall be made available in due of time in appropriate quantity and quality and at the best price.

2. ELIGIBILITY OF EXPENDITURES (3/18)

EXPENDITURE CATEGORIES

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

ELIGIBILITY OF EXPENDITURES (4/18)

A. Staff costs (1/3)

Expenditure on staff costs shall consist of gross employment costs in one of the following ways:

- i. full time;
- ii. part-time with a flexible number of hours worked per month;
- iii. part-time with a fixed percentage of time worked per month; or
- iv. on an hourly basis.



Option I: Real costs (pay slips and proof of payment required).

Option II: Simplified cost options, e.g. Standard scale of unit costs, Flat rate of up to 20% of direct costs other than the staff costs (Art. 19, ETC Reg. 1299/2013).

ELIGIBILITY OF EXPENDITURES (5/18)

Audit Trail - Staff Costs (2/3)

Required documents depending on the reimbursement option	Real costs				20% flat rate
	Full Time	Part Time		Hourly rate set in the contract	
		Fixed %	Flexible number of hours		
Employment / work contract	✓	✓	✓	✓	✗
Job description	✓	✓	✓	✓	✗
Payslips	✓	✓	✓	✓	✗
Data from time registration system (time sheets)	✗	✗	✓	✓	✗
Proof of payment	✓	✓	✓	✓	✗

ELIGIBILITY OF EXPENDITURES (6/18)

A. Staff costs (3/3)

Expenditure on staff costs shall be limited to the following:

- i. relating to responsibilities specified in the job description of the staff member concerned;
- 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;



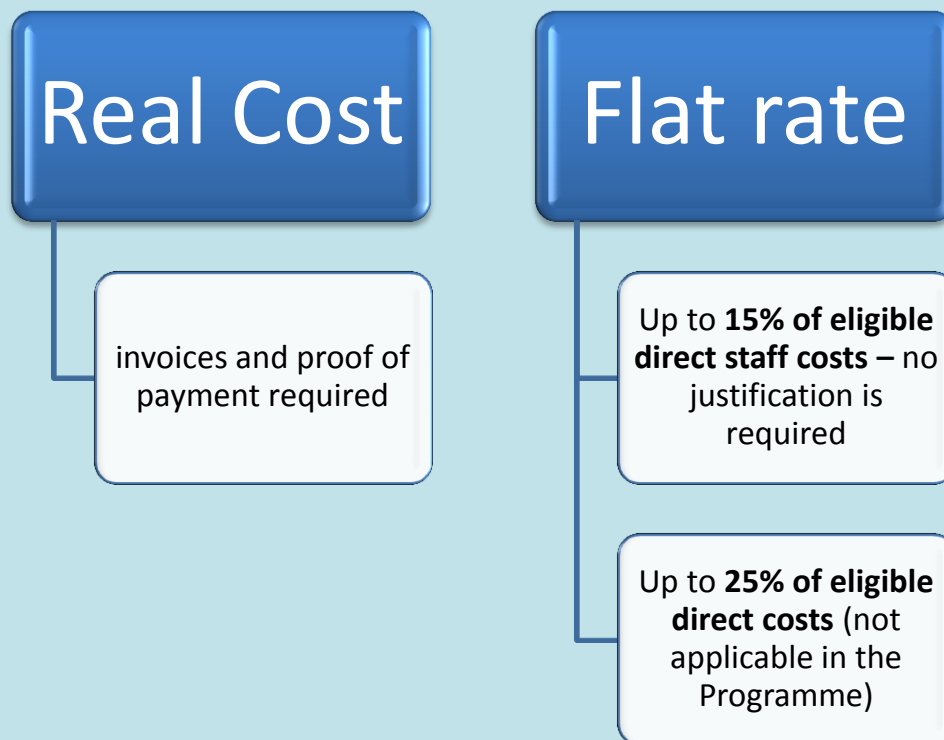
ELIGIBILITY OF EXPENDITURES (7/18)

B. Office and administrative expenditure (1/1)

Eligible cost

- Operating and administrative expenses of the beneficiary organisation that support the project activities (Reg. 481/2014, article 4).

Reimbursement options:



ELIGIBILITY OF EXPENDITURES (8/18)

C. Travel and accommodation costs (1/2)

The travel and accommodation costs are eligible only for the staff of beneficiary organisations that relate to delivery of the project.

Travel and accommodation of experts, external to the project partnership under **External expertise and services**.

Maximum daily rates for hotel and daily allowances should be respected, in line with national legislation or internal policy of the partner organisation.

ELIGIBILITY OF EXPENDITURES (9/18)

C. Travel and accommodation costs (2/2)

Indicative supporting documents for the verification of expenditure

The following documents must be available for control purposes:

- i. Agenda (or equivalent) of the meeting/seminar/conference;
- ii. Documents proving that the journey actually took place (boarding passes or participant lists etc.);
- iii. Paid invoices (including hotel bills, transport tickets, etc.);
- iv. Daily allowance claims (if applicable), including proof of reimbursement by the employer to the employee.



ELIGIBILITY OF EXPENDITURES (10/18)

D. External expertise and services (1/3)

External expertise and service costs include expenditure paid on the basis of contracts or written agreements, against invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks/activities linked to specific deliverables of the project.

ELIGIBILITY OF EXPENDITURES (11/18)

D. External expertise and services (2/3)

According to the Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service concern (indicatively):

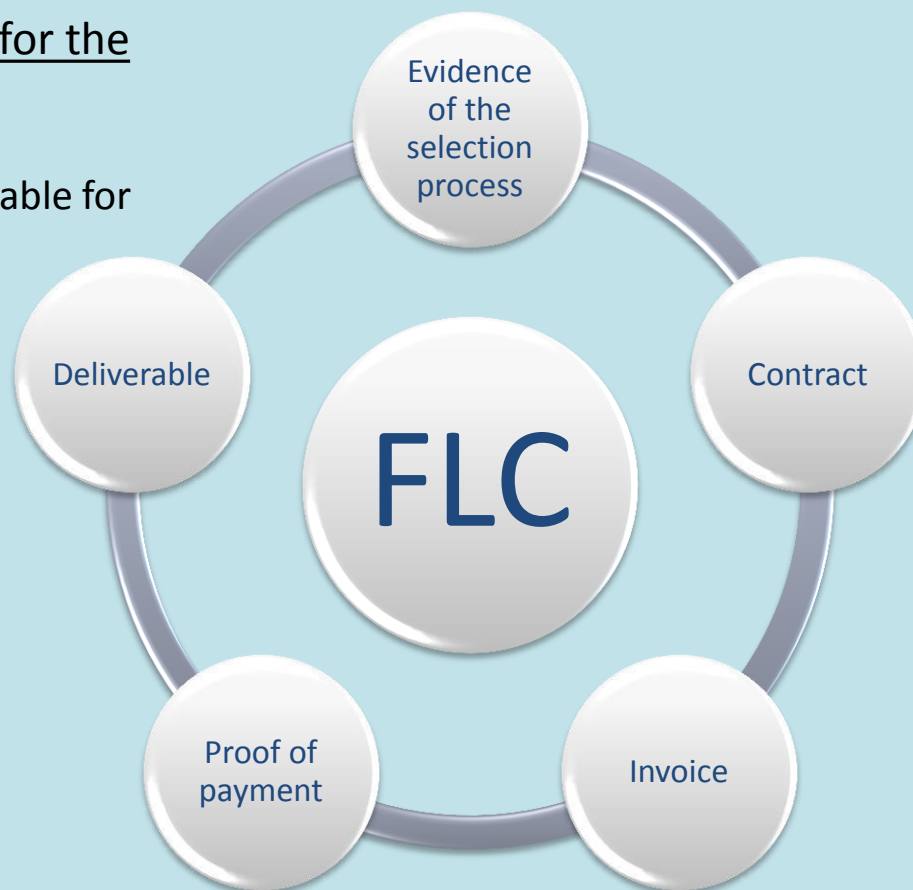
- studies or surveys (e.g. evaluations, strategies, concept notes, design plans, handbooks);
- training;
- translations;
- IT systems and website development, modifications and updates;
- promotion, communication, publicity or information linked to a project or to a cooperation programme as such;
- financial management;
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation);
- legal consultancy, technical and financial expertise, other consultancy and accountancy services;
- verifications (i.e. first level control expenditures);

ELIGIBILITY OF EXPENDITURES (12/18)

D. External expertise and services (3/3)

Indicative supporting documents for the verification of expenditure.

The following documents must be available for control purposes:



ELIGIBILITY OF EXPENDITURES (13/18)

E. Equipment (1/2)

Expenditure for the financing of equipment either purchased, or rented or leased by a partner, necessary to achieve the objectives of the project.

According to the Regulation (EU) No 481/2014 Article 7, equipment expenditure is limited to the following items:

- office equipment;
- IT hardware and software;
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- vehicles;
- other specific equipment needed for the project.

ELIGIBILITY OF EXPENDITURES (14/18)

E. Equipment (2/2)

Equipment can only be funded by the programme if no other EU funds have contributed to the financing.

Indicative supporting documents for the verification of expenditure.

The following documents must be available for control purposes:

- Evidence of compliance with the applicable EU, national and internal procurement rules,
- Invoice (or a supporting document with equivalent probative value to invoices, in case of depreciation) providing all relevant information in line with the applicable accountancy rules,
- Calculation of depreciation in compliance with the applicable national schemes,
- Proof of payment.

ELIGIBILITY OF EXPENDITURES (15/18)

F. Infrastructure and Works (1/1)

This includes costs for example; site preparation, delivery, handling, installation, renovation, when applicable.

The following documents must be available for control purposes:

1. Contracts and other related documentation (tender procedures, Selection committee decisions etc.).
2. Invoices and / or other documentation ensuring the works in progress.
3. Proof of payment.
4. The necessary environmental studies and licenses.

ELIGIBILITY OF EXPENDITURES (16/18)

V.A.T.

In accordance with Regulation (EU) No 1303/2013 Article 69 (3), VAT is not eligible except in the case where VAT is non-recoverable under national VAT legislation. In practice, if a partner can recover VAT, all expenditure reported to the programme has to be reported without VAT.

However, there are certain cases whereby specific activities can be excluded from VAT recovery.

ELIGIBILITY OF EXPENDITURES (17/18)

Net revenues

In accordance with Regulation (EU) No 1303/2013 Articles 61 and 65, if a project generates **net** revenue for example through services, conference participation fees, sales of brochures or books, it must be deducted from eligible costs. The ERDF funding is calculated on the basis of the total cost after deduction of any net revenue.

ELIGIBILITY OF EXPENDITURES (18/18)

Double Financing

The aim of the First Level Control is to verify that the specific expenditure is not financed by any other source, national or co-financed. In order to ensure the non double financing, the FLC should:

- Check that all original documents are signed and stamped by the beneficiary. The official name of the Programme and the project's acronym, must be indicated on all documents.
- Check that the beneficiary keeps the payment documents in a *separate accounting system* or an adequate accounting code.
- Check that the acronym of the project and the name of the Programme are referred to the contracts.





UNIT C “VERIFICATION OF EXPENDITURES”

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