

**ΠΡΟΓΡΑΜΜΑ Ε. Ε. ΣΥΝΕΡΓΑΣΙΑΣ –
CO-OPERATION PROGRAMME**

**INTERREG V A PROGRAMME
GREECE – BULGARIA 2014-2020
PART B**

SOFIA 04-10-2017

FIRST LEVEL CONTROL

1. LEGISLATION

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 (1/22)

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.**

Η αρχή της οικονομίας ορίζει ότι τα μέσα που χρησιμοποιούνται από το δικαιούχο για την υλοποίηση συγκεκριμένης δράσης της εγκεκριμένης πράξης/έργου καθίστανται εγκαίρως διαθέσιμα στην ενδεδειγμένη ποσότητα και ποιότητα και στην καλύτερη τιμή.

2. ELIGIBILITY OF EXPENDITURE(2/22)

The expenditure is eligible since,

- They correspond to actions, services or products described in the Application Form of a project and if they are foreseen in the approved budget of the project under a specific budget line.
- They are executed by the beneficiary and they are paid in the approved period of the project.
- They comply to the financial and the labour legislation of the country.
- They are paid by invoices or any other documentation of equal value.
- They reflect the present account system of the beneficiary.

2. ELIGIBILITY OF EXPENDITURE (3/22)

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.

2. ELIGIBILITY OF EXPENDITURE (4/22)

1. Staff costs

Expenditure on staff costs shall consist of gross employment costs of staff employed by the beneficiary 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.

2. ELIGIBILITY OF EXPENDITURE (5/22)

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;
- iii. The monthly timesheets;
- iv. The 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
- v. Signed payment rolls.

2. ELIGIBILITY OF EXPENDITURE (6/22)

Salary payments and other costs linked to salary payments (employment taxes, social security) not recoverable by the employer.

All costs fixed in the employment document/law.

Salaries related to responsibilities specified in the job description.

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

Simplified cost options, e.g.

Option II: Standard scale of unit costs,

Option III: Flat rate of up to 20% of direct costs other than the staff costs (Art. 19, ETC Reg. 1299/2013).

2. ELIGIBILITY OF EXPENDITURE (7/22)

2. Travel and accommodation costs

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 subsistence should be respected, in line with national legislation or internal policy of the partner organisation.

2. ELIGIBILITY OF EXPENDITURE (8/22)

Pursuant to the Regulation (EU) No 481/2014 Article 5, expenditure on travel and accommodation costs is limited to the following items:

- (a) travel;
- (b) meals;
- (c) accommodation;
- (d) visa;
- (e) daily allowances

2. ELIGIBILITY OF EXPENDITURE (9/22)

Supporting documents for the verification of expenditure

The following documents must be available for control purposes:

- i. Agenda (or similar) 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.) and, if applicable, the employee's expense report with a proof of reimbursement by the employer to the employee;
- iv. Daily allowance claims (if applicable), including proof of reimbursement by the employer to the employee.

2. ELIGIBILITY OF EXPENDITURE (11/22)

3. Office and administrative expenditure

Eligible cost

- “Operating and administrative expenses of the beneficiary organisation that support delivery of the project activities.” (OPEX not CAPEX)
- Exhaustive list of eligible elements defined in the Del. Reg. 481/2014 (list of examples in Matrix of costs)

Reimbursement options:

- **Option I:** Real costs
- **Option II:** Flat rate (Art. 68.1, CPR 1303/2013)

2. ELIGIBILITY OF EXPENDITURE (12/22)

Indirect costs may be calculated at a flat rate of:

- I. Up to **15% of eligible direct staff costs** – no calculation method required from the programme:
 - applicable at the beneficiary level,
 - beneficiaries do not need to provide any supporting documents.

Staff costs calculated at a flat rate can still form the basis for calculation of indirect costs at a flat rate of (up to) 15% of staff costs.

- II. Up to **25% of eligible direct costs** – established based on fair, equitable and verifiable calculation method.

2. ELIGIBILITY OF EXPENDITURE (13/22)

4. Equipment and Depreciation

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

Pursuant to 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 operations.

Second-hand equipment is eligible (under conditions, Del. Reg. 481/2014), unless decided otherwise by the programme.

2. ELIGIBILITY OF EXPENDITURE (14/22)

Costs of equipment are eligible if they are detailed in the latest approved version of the application form. Equipment has to be purchased in compliance with public procurement rules. Equipment can only be funded by the programme if no other EU funds have contributed towards the financing of the planned equipment.

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.

2. ELIGIBILITY OF EXPENDITURE (14/22)

Depreciation is taken into account.

Full purchase cost of equipment is eligible, provided:

- (a) Equipment used solely for the operation,
- (b) The total economic and depreciable life-time falls within the period of support (some Programmes encourage full cost).

2. ELIGIBILITY OF EXPENDITURE (15/22)

5. External expertise and services

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 delivery of the project (e.g. studies and surveys, translation, newsletter development, coordination, financial management, first level control).

2. ELIGIBILITY OF EXPENDITURE (16/22)

Pursuant to the Regulation (EU) No 481/2014 Article 6, expenditure on external expertise and service are limited to the following services and expertise provided by an organisation other than the project partner:

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

2. ELIGIBILITY OF EXPENDITURE (16/22)

- legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- intellectual property rights (see also section 7.4.10);
- verifications under Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013 (i.e. first level control costs);
- certification and audit costs at programme level under Articles 126 and 127 of Regulation (EU) No 1303/2013;
- 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;
- travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- other specific expertise and services needed for operations.

2. ELIGIBILITY OF EXPENDITURE (16/22)

Supporting documents for the verification of expenditure

The following documents must be available for control purposes:

- ❖ Evidence of the selection process, in compliance with the applicable EU, national and internal public procurement rules. Any changes to the contract must comply with the public procurement rules and must be documented,
- ❖ A contract or other written agreements of equivalent probative value laying down the services to be provided with a clear link to the project,
- ❖ An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules,
- ❖ Proof of payment,
- ❖ Outputs of the work of external experts or service deliverable.

2. ELIGIBILITY OF EXPENDITURE (17/22)

6. Infrastructure

Covers costs related to investments in infrastructure that do not fall into the scope of other budget lines. The necessary studies, allowances must be met.

- This includes costs for example; site preparation, delivery, handling, installation, renovation, and purchase of land, 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.

2. ELIGIBILITY OF EXPENDITURE (18/22)

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 (regardless whether he actually does or not), all expenditure reported to the programme has to be reported without VAT.

2. ELIGIBILITY OF EXPENDITURE (18/22)

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 in full or pro-rata depending on whether it was generated entirely or only partly by the co-financed project. The ERDF funding is calculated on the basis of the total cost after deduction of any net revenue.

2. ELIGIBILITY OF EXPENDITURE (19/22)

Συμμόρφωση της δαπάνης με το εγκεκριμένο έργο – Πραγματοποίηση της δαπάνης

- Εάν η δηλούμενη δαπάνη περιγράφεται στην εγκεκριμένη πρόταση στην αντίστοιχη κατηγορία δαπανών.
- Εάν η δηλούμενη δαπάνη είναι επιλέξιμη στο πλαίσιο της δηλούμενης κατηγορίας.
- Εάν έχουν τηρηθεί οι επί μέρους κατηγορίες επιλέξιμων δαπανών ανά εταίρο.
- Εάν οι δαπάνες έχουν κατανεμηθεί σωστά στα επί μέρους πακέτα εργασίας και στις αντίστοιχες κατηγορίες επιλέξιμων δαπανών και παραδοτέων.

2. ELIGIBILITY OF EXPENDITURE (20/22)

Προκειμένου να επαληθευτεί η πραγματοποίηση της δαπάνης λαμβάνεται υπόψη η ύπαρξη των προβλεπόμενων παραστατικών σύμφωνα με το εθνικό νομοθετικό πλαίσιο. Δαπάνες που δε συνοδεύονται από τα απαιτούμενα παραστατικά δεν επαληθεύονται.

ΠΛΗΡΩΜΕΣ

Οι πληρωμές γίνονται με τους εξής τρόπους:

(α) Με ηλεκτρονική πληρωμή (e-banking, ηλεκτρονική επιταγή κλπ.)

(β) Επιταγή

(γ) Μετρητοίς. Στην περίπτωση πληρωμών τοις μετρητοίς προσκομίζονται τα λογιστικά άρθρα των ταμειακών εγγραφών και η κίνηση του ταμείου.

2. ELIGIBILITY OF EXPENDITURE (21/22)

Περαιτέρω εξετάζεται:

- Αν η δαπάνη έχει πραγματοποιηθεί εντός της επιλέξιμης χρονικής περιόδου όπως αυτή προσδιορίζεται στη Σύμβαση Χρηματοδότησης και στο Τεχνικό Δελτίο του έργου.
- Αν η δαπάνη έχει πραγματοποιηθεί εντός της περιόδου αναφοράς του αιτήματος επαλήθευσης.
- Αν υπάρχουν παραδοτέα για την αντίστοιχη δαπάνη και ειδικότερα:
 - (α). ελέγχεται η ύπαρξη των παραδοτέων ή των τμημάτων των παραδοτέων.
 - (β). ελέγχεται η ύπαρξη πρωτοκόλλων παραλαβής των παραδοτέων

2. ELIGIBILITY OF EXPENDITURE (22/22)

Double financing

The scope of the First Level Control is to verify that the specific expenditure is not financed by any other source, national or co-financed. To reach this scope the Beneficiary should:

- All the prototype documentation signed by the beneficiary. The sign must conclude the acronym, the Programme and in those cases that is necessary the percentage of the eligible amount.
- The beneficiary maintain the payments in a *separate accounting system* or an adequate accounting code.
- The contracts should contain the acronym of the project and the Programme.

THANK YOU FOR YOUR ATTENTION ANY QUESTIONS?



KONSTANTINOS CHRISTODOULOU
THEOFYLAKTOS SALONIDIS
DIMITRIOS KATAVATOS
DOMNA VOYTYRA

FIRST LEVEL CONTROL UNIT
MANAGING AUTHORITY OF EUROPEAN TERRITORIAL PROGRAMMES

Tel: +30 2310 469600 / 469622

e-mail: interreg@mou.gr

e-mail: kxristodoulou@mou.gr, tsalonidis@mou.gr, dkaravatos@mou.gr,