

Interreg NWE Financial monitoring

Przemyslaw Kniaziuk
Programme Finance Officer



Investing in Opportunities

Preparation Costs

- The amount of EUR 50.000 was added to the budget of your project
- WP Prep costs, LP budget, external experts budget line
- 30.000 ERDF will be paid to the Lead Partner
- No report / claim needs to be submitted

How does the financial monitoring work?

- Partners spend in accordance with the budget planned in the AF
- Partners fill in Lists of Expenditures (before VoE) in the eMS directly
- Partners report the cost in one of 5 (6) budget lines (BL) and attribute it to the Work Package (or Investments)
- When financially reporting investments please attribute the costs to all relevant budget lines (eg. Staff costs, Equipment, and not only Infrastructure and works)

How does the financial monitoring work?

- No office and administration BL (calculated automatically)
- eMS aggregates the amounts automatically and puts them in a list
- eMS applies the exchange rate for UK partners automatically
- FLC approves the claimed amounts by partner
- LP (and their FLC) approves the amounts claimed by partners

Edit expenditure

Partner report 2 Period 1 List of Expenditures



PP

Budget line	<input type="text" value="---"/>	▼	Description1	<input type="text"/>
Workpackage	<input type="text" value="---"/>	▼		255 Characters remaining
Internal reference number	<input type="text"/>		Description2	<input type="text"/>
Invoice number	<input type="text"/>			255 Characters remaining
Invoice date	<input type="text"/>		Partner Comment	<input type="text"/>
Date of payment	<input type="text"/>			255 Characters remaining
Currency	EUR - EURO	▼		
Total value of item in original currency	<input type="text"/>			
VAT	<input type="text"/>			
Declared amount in the original currency	<input type="text"/>			
Expenditure outside the Programme area?	<input type="checkbox"/>			
In kind	<input type="checkbox"/>			

Edit expenditure

Partner report 4 Period 1 List of Expenditures



PP	Budget line	---	Description1
	Workpackage	---	
	Internal reference number	Staff costs	255 Characters remaining
	Invoice number	Travel and accomodation	12
	Invoice date	External expertise and services	
	Date of payment	Equipment	
	Currency	Infrastructure and works	255 Characters remaining
	Total value of item in original currency	Net Revenue	
	VAT		
	Declared amount in the original currency		
Expenditure outside the Programme area?	<input type="checkbox"/>		
In kind	<input type="checkbox"/>		

Exchange rate

Partner located	Expenditure incurred in	Exchange rate to apply
Outside the euro zone	Euro	No conversion. The expenditure is already in euros.
Outside the euro zone	other currency	<u>Exchange rate of the Commission</u> in the month during which the claim was first electronically submitted to the partner FLC.

Partner located	Expenditure incurred in	Exchange rate to apply
Inside the euro zone	Euro	None. The expenditure is already in euros.
Inside the euro zone	other currency	Institutional (internal) rules apply. Report those costs in Euro, as they enter the bookkeeping of your organisation.

BL Staff costs

Option A - Flat rate

20% of direct costs (all costs other than staff, and office and administration costs)

Option B - Real costs

1. Full gross employment costs - Staff working full time on the project
2. Fixed percentage of gross employment costs - Staff working on a fixed % on the project
3. Flexible percentage of gross employment costs - Staff working on a flexible % on the project
4. Hourly basis - Staff working on an hourly basis
5. National/Regional Methods

BL Staff costs

For **option A** – no documentation needed

The cost item will be created automatically (20% of the costs other than staff and office & admin)

For **option B**:

- FLC + external auditors have access to payroll records to verify (with the name and salary details)
- Timesheets may be needed
- External staff secondment **NOT** possible
- Dividends are **NOT** eligible
- Charge-out rates are **NOT** eligible
- Consultancy fees **NOT** eligible

BL Staff costs

Method 1 – Full gross employment (full time)

Documents:

- A single document (e.g. work contract) specifying 100% of time to be worked on project
- Timesheets **NOT** needed

BL Staff costs

Method 2 – Fixed percentage of gross employment costs

Gross employment costs x fixed %

Documents:

- A single document (e.g. mission letter) specifying % of time to be worked on project
- Timesheets **NOT** needed

Changing the fixed percentage under Method 2 should be exceptional – see method 3 if the percentage will change more often

BL Staff costs

Method 3 Flexible percentage of gross employment costs

Number of hours x hourly rate

How to calculate hourly rate?

a) Monthly / Annual gross employment costs
Contractual hours

b) Annual gross employment costs
1720 hours

- Timesheets needed

BL Staff costs

Method 4 – Hourly basis

Number of hours x hourly rate agreed in the contract

Documents:

- A single document (e.g. contract) specifying hourly rate
- Timesheets

BL Staff costs

Method 5 – Country specific methods

- The Netherlands – All options and methods + regional NL
- Belgium (Flanders) - option A (flat rate) or regional method
- Belgium (Wallonia): regional method only

Links to the methods and national homepages in our programme manual, chapter 5.2

Timesheets

NWE template has been sent to all lead partners.

- Please make sure that 100% of working time is recorded
- Other EU funded projects should be clearly visible in order to avoid double founding
- Timesheets should always be signed by the employee and the line manager

Edit expenditure
Partner report 2 Period 1 List of Expenditures



PP

Budget line

Workpackage

Internal reference number

Invoice number

Invoice date

Date of payment

Currency

Total value of item in original currency

VAT

Declared amount in the original currency

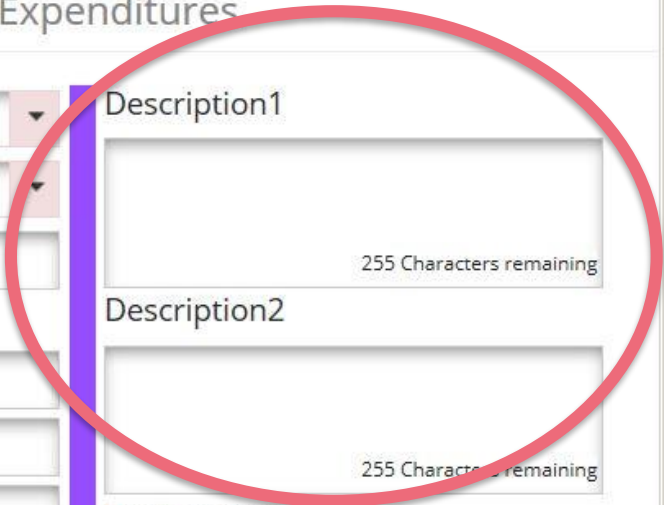
Expenditure outside the Programme area?

In kind

Description1

Description2

Partner Comment



Please specify the method for charging staff costs here

BL Office and administrative expenditure

- You cannot see this BL
- The costs created automatically when you specify staff costs
- Always 15% of partner's staff costs items

Do **NOT** charge office and admin costs under other BLs e.g.:

- Shipping fees
- Invoices for telephones
- Bank transfer fees
- Office supplies

Those are all already covered by 15% flat rate

BL Travel and accommodation

Covers only:

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

Internal rules apply, only for staff of the partner institution.

Any item listed in points (a) to (d) covered by a daily allowance will not be reimbursed in addition to the daily allowance.

BL External expertise and services

- Application much wider than in IVB NWE
- Tasks that partners cannot carry out themselves
- Linked to the project

Examples of costs:

- External experts (e.g. for performing studies)
- Travel and accommodation for experts
- Promotion, communication and publicity costs
- Services related to the organisation of meetings and events (e.g. interpreters, room rental, catering, registration fees etc.)
- Financial / legal consultancy costs
- First Level Control costs (if applicable)

BL Equipment

- Purchased, rented, leased
- Cannot be previously funded by EU funds

The following cost can be claimed under Equipment:

- Office equipment
- IT hardware and software
- Furniture and fittings
- Laboratory equipment
- Machines and instruments
- Tools or devices
- Vehicles
- Other specific equipment needed for operations

BL Equipment

- Solely for the purpose of the project – full costs
- If non-depreciable equipment (e.g. low-value asset) is purchased, full cost
- If the equipment represents a core component of the project investment, full cost
- Rented or leased, full costs whenever used 100% for the project
- Only partially used for the project, only the share related to the use of the equipment for the project may be reported
- Equipment was purchased before the project was approved, a pro-rata depreciation
- Purchased during the project lifetime but the depreciation plan is longer than the project duration, a pro-rata depreciation

BL Infrastructure and Works

- Purchase/provision of land
- Purchase/provision of real estate
- Site preparation
- Delivery
- Handling
- Installation
- Renovation
- Other costs necessary to the implementation of construction works

Durability

Infrastructure investments (financed under the infrastructure and construction works budget line) must remain with the project partners for at least 5 years after the project end date.

No substantial modification of the infrastructure and investments within five years after the project closure date regarding:

- a cessation of operation
- a relocation outside the programme area
- a change in ownership giving a firm or a public body an undue advantage
- a substantial change affecting the nature of the infrastructure and/or construction work which would result in the undermining of its original objective

Net Revenues

- Partners charge the amount of net revenues just like any other expenditure item
- Net revenues decrease the TEC of the project and on this basis ERDF is calculated
- Net revenues = revenues – operating costs (cannot be charged within the project), the operating costs must be presented
- Vouchers – if you charge the recipients of the vouchers and do not have operating costs, the revenue gained will be treated as net revenue