Interreg North-West Europe
European Regional Development Fund

Interreg NWE
Finances in your project

Isabelle Lecroart
Programme Finance Officer

Investing in Opportunities

Preparation Costs

Advance Payments

Reporting expenditure

Exchange rate

Focus on each budget line

Q & A

Preparation Costs

- Work Package 0 Preparation costs
  LP budget / external experts budget line

- €30,000 ERDF paid to the Lead Partner
  ⇒ TEC amount = €50,000 (usually)
  ⇒ "other contribution" = €20,000 (usually)

- No report to be submitted – the JS creates Report 0.1

Advance Payments

- Requests from micro enterprises and micro NGOs
- Max €50,000 ERDF paid to the Lead Partner
- Closely monitored and offset at the end of the project

Financial flow

Partner => FLC => LP => JS => MA => CA => LP => PP

Reporting expenditure

Partners spend according to the AF and report their costs directly in the eMS, in the List of Expenditures.

Each invoice is allocated to one of 6 budget lines and attributed to one of the Work Packages.

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line ---

Workpackage ---

Internal reference number

Invoice number

Invoice date

Date of payment *

Currency EUR - EURO

Total value of item in original currency

VAT

Declared amount in the original currency

Expenditure outside the Programme area?

In kind

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

2000 Characters remaining

Further description, if needed

2000 Characters remaining

Partner Comment

2000 Characters remaining

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line

Workpackage

Internal reference number

Invoice number

Invoice date

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Currency

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Declared amount in the original currency

Expenditure outside the Programme area?

In kind

Staff costs

Office and administration

Travel and accommodation

External expertise and services

Equipment

Infrastructure and works

Net Revenue

EUR - EURO

Please describe the expenditure. In the case of staff costs, please e applied method (cf. e manual section 5.2.I)

2000 Characters remaining

scription, if needed

2000 Characters remaining

Partner Comment

2000 Characters remaining

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line: Travel and ac

Workpackage: ---

Internal reference number

Invoice number

Invoice date

Date of payment *

Currency: EUR - EURO

Total value of item in original currency

VAT

Declared amount in the original currency

Expenditure outside the Programme area?

In kind

LT implementation Long term
M management Project management

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

2000 Characters remaining

Further description, if needed

2000 Characters remaining

Partner Comment

2000 Characters remaining

Edit expenditure
Partner report 11 LP_1 Period 1 List of expenditures

PP

Budget line: Staff costs

Workpackage: M managem

Internal reference number:

Invoice number:

Invoice date:

Date of payment *: 08.12.2016

Currency: EUR - EURO

Total value of item in original currency:

VAT:

Declared amount in the original currency:

Expenditure outside the Programme area?:

In kind:

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.I)

2000 Characters remaining

Further description, if needed

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Partner Comment

Characters remaining

- DKK - Danish krone
- DOP - Dominican peso
- DZD - Algerian dinar
- EGP - Egyptian pound
- ERN - nakfa
- ETB - Ethiopian birr
- EUR - EURO
- FJD - Fiji dollar
- FKP - Falkland Islands pound

Exchange rate

The eMS takes care of converting expenditure into euros, but when do you claim in another currency?

Expenditure	Bookkeeping	eMS
€	€	€
	Other	€
Other	€	€
	Other	Other

Reporting expenditure : specific rules

When financially reporting on investments please attribute the costs to all relevant budget lines (e.g. Staff costs, Equipment, not only Infrastructure and works).

Claim in accordance to your Application Form!
If costs for a member of staff are budgeted under Project management and another WP, then allocate your staff costs to both of those WP. But do not split an invoice: alternate the allocation.

Office and administration is calculated automatically.

What will the eMS do?

- Automatically aggregates the claimed amounts and puts them in a list
- automatically applies the exchange rate for foreign currencies
- transfers the reports from the partners to their First Level Controllers (FLC), to the LP, who, with their FLC, endorses the amounts and transfers the report to the JS.
- Warns you if a mistake is detected, or block you.

Budget lines

Staff costs: overview of the various methods for claiming staff expenditure

Where do you work?

- In Wallonia? You don’t have the choice of the method, regional one only.
- In Flanders? You’ll choose between the flat rate (A) or your regional method (B.5)
- In the Netherlands? All methods + a national one.
- Elsewhere? You have 5 options.

Staff costs

In the AF, each partner organisation chose between:

Option A – Flat rate

20% of direct costs (all costs other than staff, and office and administration costs) => no need for any document

Option B – Real costs

You can then apply up to 6 different methods.

The A or B option is chosen for the entire project duration and applies to the whole organisation.

If you chose Option B – Real costs:

- Several methods are available
- You can chose a different one for each staff member and change method if need be.

Choosing a method

For each member of staff: do you work on the project in the same capacity each month?

- Yes: no timesheets.
  - full time: method 1 = the full gross employment cost is eligible.
  - part time: method 2 = a fixed percentage of gross employment costs is eligible.
- No: Timesheets needed.
  An hourly rate will be calculated (method 3.A, 3.B) or defined in a contract (method 4).

Timesheets

The NWE template has been sent to all lead partners.

- Please record 100% of the working time
- Other EU funded projects should be clearly visible in order to avoid double funding
- Timesheets should always be signed by the employee and the line manager

Please note that

ONLY staff on the payroll is eligible
⇒ Secondment is not eligible
⇒ Dividends are not eligible

The FLC and external auditors will need access to payroll records, with the name and salary details, to validate the expenditure.

Necessary documents:

For methods 1, 2 and 3 : the gross employment costs

Method 1 (Full time)
A single document (e.g. work contract) specifying that 100% of time is worked on project.

Method 2 (Fixed %)
A single document specifying the percentage of time to be worked on project.

Method 4 (Hourly basis)
A document (e.g. contract) specifying contractual hourly rate

Calculations:

Method 1 (Full time) = gross employment costs

Method 2 (Fixed %) = gross employment costs x fixed %

Method 3 (Flexible %) = number of hours x hourly rate

Method 4 (Hourly) = number of hours x contractual rate

How to calculate hourly rate for method 3?

a) $\frac{\text{Monthly / Annual gross employment costs}}{\text{Contractual hours}}$

OR

b) $\frac{\text{Annual gross employment costs}}{\text{1720 hours}}$

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Partner Comment

2000 Characters remaining

Please specify the method for charging staff costs here

Office and administration

- You cannot see this budget line
- Calculated automatically when you claim staff costs
- 15% flat rate

Do not charge office and administrative costs (shipping fees, telephone bills, bank transfer fees, office supplies, etc.) under other lines. **Those are all already covered by the 15% flat rate.**

Travel and accommodation

Covers only the partner staff or assimilated for:

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

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

Internal rules apply (thresholds, class, etc.).

External expertise and services

Tasks that partners cannot carry out themselves

Examples:

- 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)

Equipment

- Purchased new or second hand, rented, leased
- Not already funded by EU

Examples:

- Office equipment (but not what falls under Office)
- IT hardware and software
- Furniture and fittings
- Laboratory equipment
- Machines and instruments
- Tools or devices
- Vehicles
- Other specific equipment needed for operations

Equipment

Situation	Non depreciable	With a depreciation plan	purchased before project approved	Rented / leased
solely used for the project	full cost	pro rata	pro rata	full cost
partially used for the project	pro rata	pro rata	pro rata	pro rata
is a core component of the investment	full cost	full cost	full remainder	full cost

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.

- Cannot undergo any substantial modification 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 its nature which would result in the undermining of its original objective.

Net Revenues

- Partners declare the amount of net revenues as any expenditure item.
- Net revenues decrease the TEC of the project (i.e. the basis for ERDF calculation).
- Net revenues = revenues – operating costs (these are not claimed).

Vouchers – if you sell vouchers and do not have operating costs, the revenue gained will be treated as net revenue