

Eligibility of costs

*Project Implementation Seminar
September 2020
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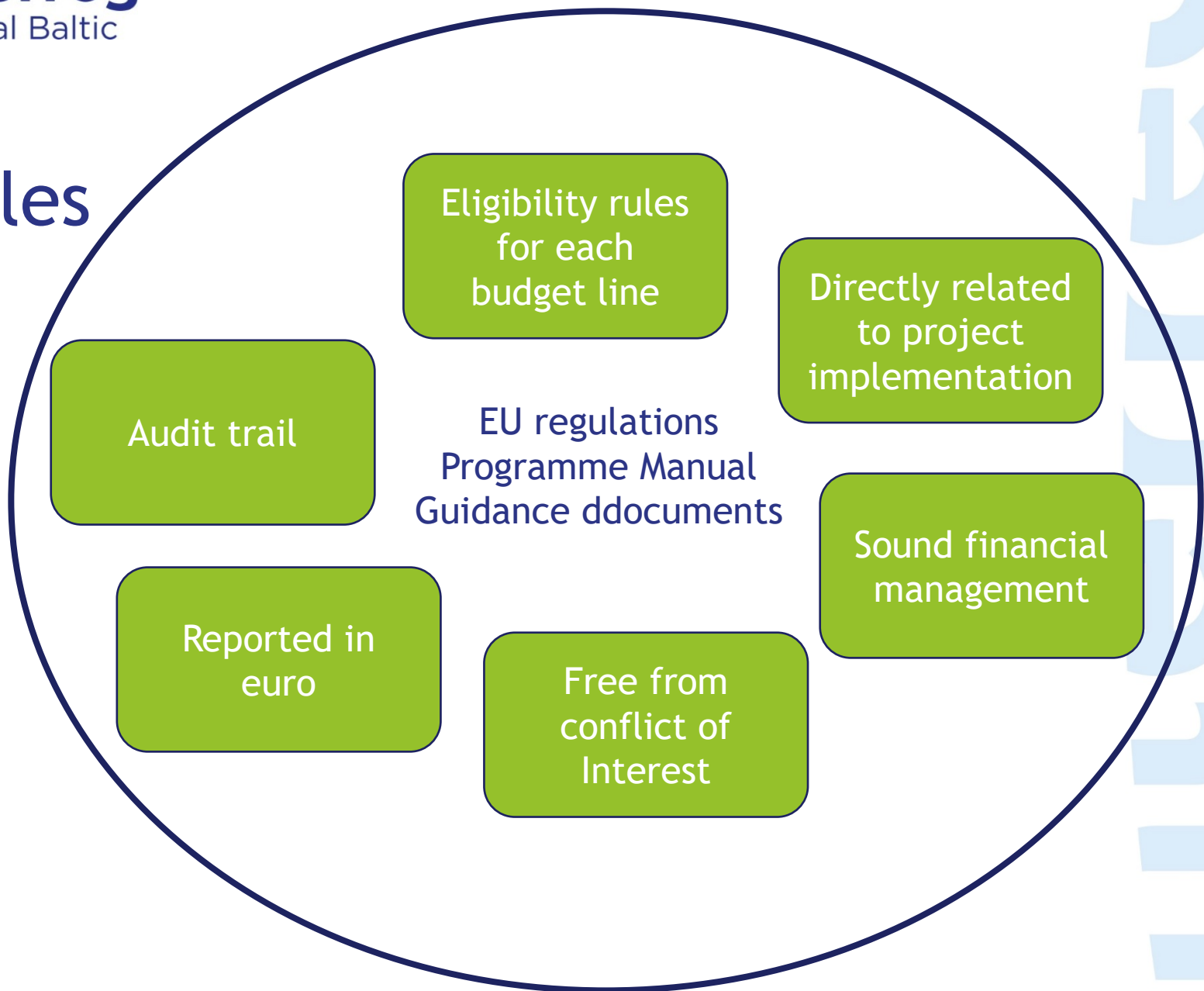
Contents

- Basic principles for eligibility
- Budget lines
- Underspending
- Closure period



ELIGIBILITY

Basic principles



Criteria for eligibility of costs

What

Activity and/or expenditure is relevant for the project and is approved in AF

Who

Incurred, paid by the project partner

When

During project duration

Budget lines

Staff Costs

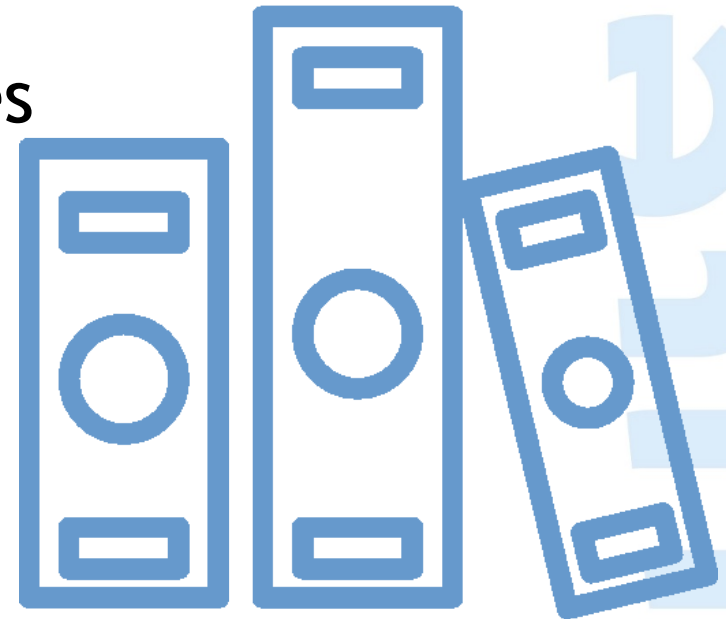
Office and Administration

Travel and Accommodation

External Expertise and Services

Equipment

Infrastructure and Works



Staff Costs

Staff Costs Audit trail	Full time	Part time
		Fixed %
Employment / work contract and/or an appointment decision / contract considered as an employment document	✓	✓
Job description providing information on responsibilities related to the project	✓	✓
Payslips or other documents of equivalent probative value	✓	✓
Proof of payment of salaries and the employer's contribution	✓	✓

NO timesheets
needed



Part-time assignment with a fixed %

- Staff costs will be calculated with fixed percentage from the gross employment cost
- Gross employment costs are monthly salary set in employment document + employer contributions to social security taxes
- A document setting out the percentage of time to be worked on the project per month

Raise of the salary
when project starts is
not allowed if the
specific tasks are not
changed

Mistakes in reporting

- Missing documentation
 - esp. assignment and job description
- Time sheets included, although fixed %
- Worktime for project specified as hours in month, and not as percentage
- No monthly salary in the employment document
- Change of working time in monthly bases
- Exceeding staff budget line

Office and Administration

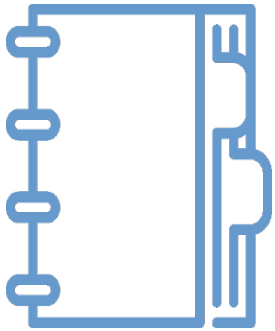
- Closed list defined in the Programme Manual
- No supporting documents and no need for audit trail
- Flat rate 15 % of eligible staff costs



Mistakes in reporting

- Business cards, office printing cost reported under external expertise
 - Use of internet or phone calls during travelling added under the external expertise
 - In house meeting coffee breaks under external expertise
- should be covered from flat rate Office and Administration!

Travel and Accommodation



**Agenda
for the
event**



Paid invoice(s)



Daily allowances

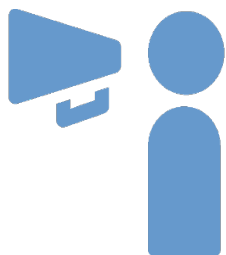


Proof of payment

Mistakes in reporting

- Transportation of target groups reported under the external expertise if directly paid by the partner these belong under the travel and accommodation
- Travels outside the programme are not indicated in the AF or approved by the JS contact person beforehand
- Daily allowances paid for the persons not assigned to the project tasks
- Separate breakfast costs (ferry) or business/comfort class used

External Expertise and Services



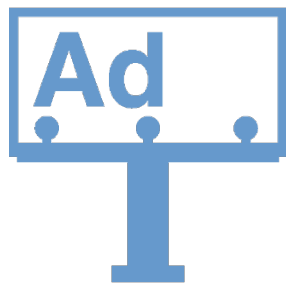
**Announcement
of
procurement**



**Procurement
process**



Proof of delivery



Publicity measures!



Contract



Proof of payment



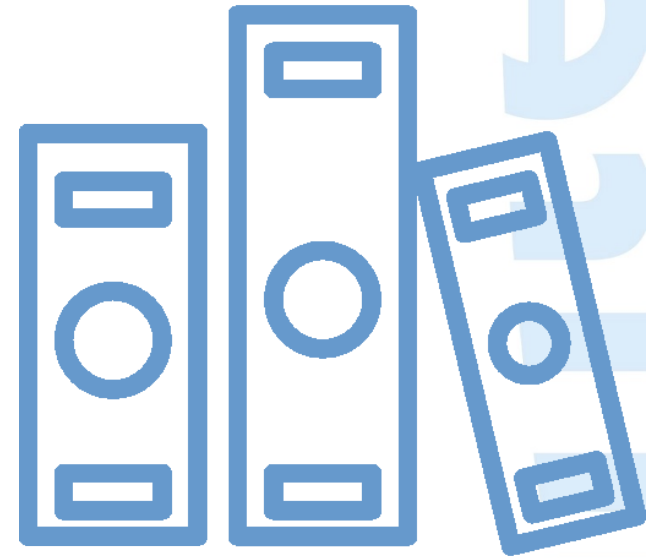
Paid invoice(s)

Public Procurement Requirements of the Programme

Value of the Purchase	Process Described in	Bear in Mind
below 5.000 €	Programme Manual	Sound Financial Management Justified selection process
above 5.000 € but below National Rules	Programme Manual	3 Comparable Offers Documentation
above National Rules but below EU Thresholds	National Rules for Public Procurement	Time & Planning Documentation
above EU Thresholds	EU Rules on Public Procurement	Complexity Increases Documentation

Public Procurement Requirements of the Programme

- Applies to **ALL** partners
- No artificial splitting of purchases
 - cumulative amounts count
 - type of the service crucial
- Framework contracts applicable
 - order of service
 - Programme and project named



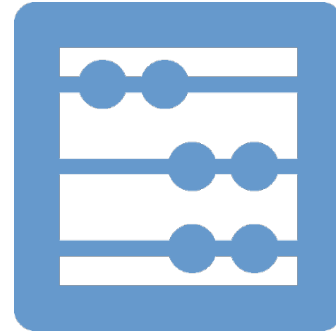
Mistakes in reporting

- Finnish FLC last payment paid after the project end
- Procurement process not done or price comparison missing
- Clear link missing for the project activities when the framework contracts are used
- Dinner costs above moderation or lunch provided with shorter meetings/events than 6hours
- Translation cost of Partnership Agreement or Subsidy Contract
- Gifts:
 - within the project partnership not eligible
 - programme rules on visibility not respected

Equipment - to carry out project activities



Procurement process



Calculation of depreciation



Contract



Proof of payment



Paid invoice(s)

Equipment - as part of investment



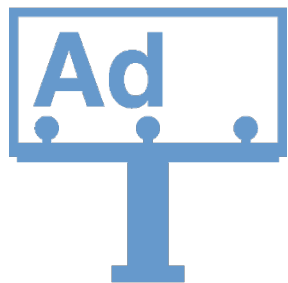
**Announcement of
procurement**



Procurement process



Paid invoice(s)



Publicity measures!



Contract



Proof of payment

Mistakes in reporting

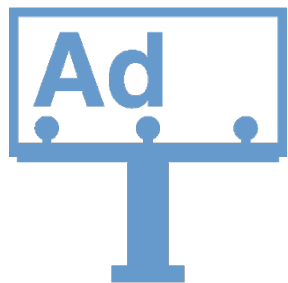
- Purchase of equipment at the very end of the project implementation
- Mobile phones
 - If purchased and paid separately → Equipment
 - If paid in the same invoice with mobile phone subscription → flat rate Office and Administration

 Procurement can take time

Infrastructure and Works



**Announcement of
procurement**



Publicity measures!



Procurement process



Contract



Proof of delivery



Proof of payment



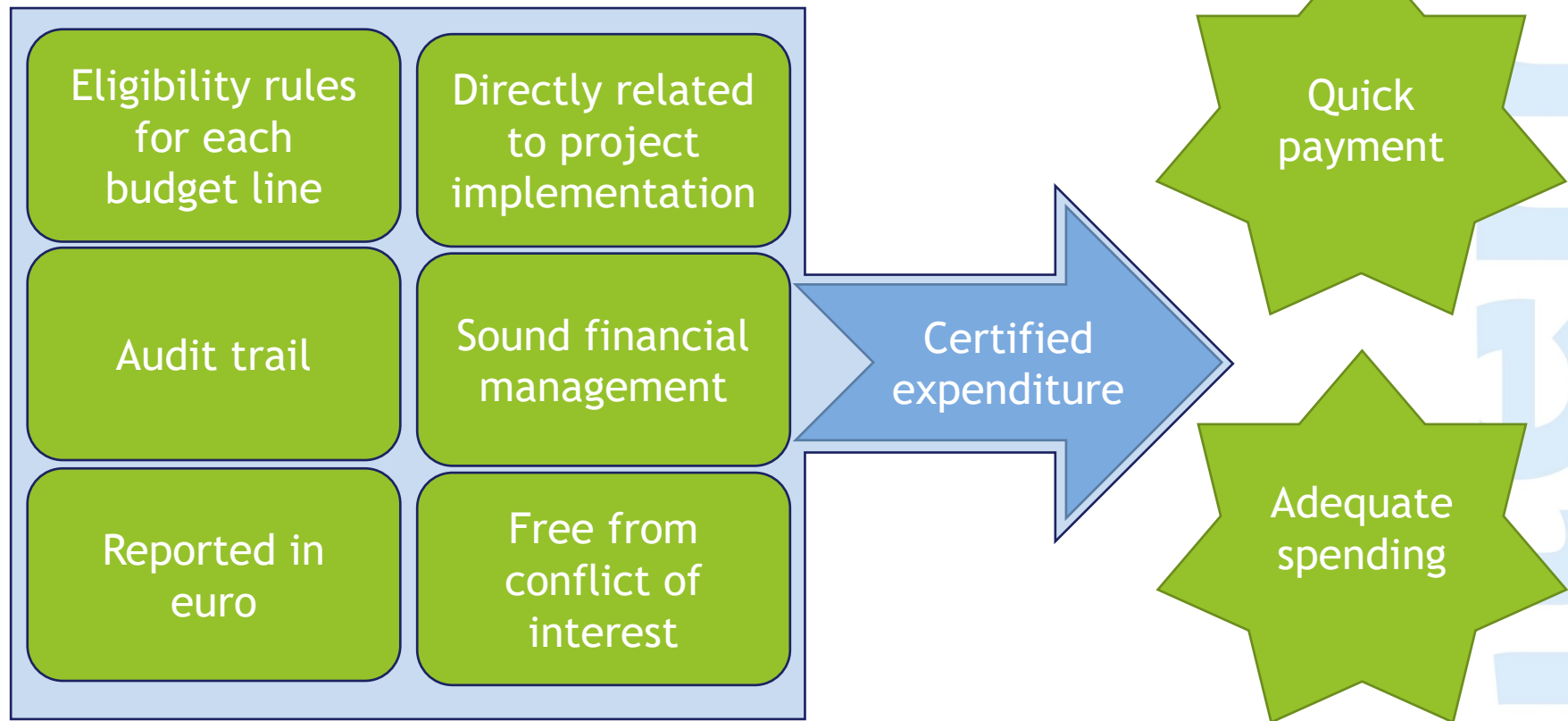
Paid invoice(s)

Reporting

Remember:

- add costs in list of expenditure under the correct budget line
- add attachments about the cost (invoices, agenda, list of participants etc.) in the list of expenditure
- if working time changes more than 25 % ask approval from the JS beforehand
- travelling outside the programme area is not in AF budget, it needs to be approved by the JS contact person beforehand

Summary



Closure period

- 3 last months of project duration
- Payments of invoices possible for all partners
- Costs can incur only for LP and must relate to the management activities
- All costs must be paid during the project duration, i.e also Finnish FLC invoices

Thank you for listening!

- Any questions?

★ You are also welcomed to watch videos about eligibility in our website: <http://centralbaltic.eu/content/video-guidance-0>