

Eligibility of expenditure and simplification

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Controllo di I livello Programmi Fondi Strutturali

Aim of the session:

Provide elements useful for the comprehension of eligibility of expenditure rules, in order to submit the project application form and outline:

- **News**



- **Simplification**



Laid down within the Programme

Index

- Legislative Sources
 - Hierarchy
- Category Costs/Budget Lines of the Programme
 - Eligibility and timing, and preparatory costs

Eligibility of expenditure rules for INTERREG Italia – Slovenia Programme

EU Regulations:

- **Reg.(UE) n. 1303/2013 General Regulation of ESI funds** Reg. (UE) 1301/2013 reg. FESR
- **Reg.(UE) 1299/2013 Regulation on European Territorial Cooperation**
- Delegated Reg. (UE) n. 480/2014 of the Commission, 3 march 2014, implementing reg. (UE) n. 1303/2013 on results financial corrections, engineering financial instruments, Net revenues calculation, indirect cost rates, major projects, audit trail and data to be recorded, audits and sampling methods

Eligibility of expenditure rules for INTERREG Italia – Slovenia Programme

- **Reg.(UE) 821/2014 on implementation of Gen. Reg. about funds transfer and management of Programme Contributions, reporting financial instruments, technical issues of information and publicity measures, and informatic system of recording and data storing**
 - Reg.(UE) 1011/2014 and reg. (UE) 184/2014 about detailed rules for information exchange between programme Actors

Most Important :

- **Delegated Regulation (UE) 481/2014
About eligibility of expenditure in ETC**

Which rules lead eligibility of expenditure in INTERREG ITALY SLOVENIA Programme

1. UE Regulation:
 - 1) General (n. 1303)
 - 2) ERDF (n. 1301)
 - 3) ETC (n. 1299)
 - 4) Delegated reg n. 481/2014

2. Specific Programme Rules on eligibility of expenditure (Manual that is attached to the call)

3. National (and local or regional) rules

Cost Categories (Budget Lines) In INTERREG ITA-SLO Programme

1. Staff costs;
2. Office and administrative expenditure;
3. Travel and accomodation costs;
4. External expertise and services cost;
5. Equipment costs;
6. Infrastructural Investments and works

NEW

In Interreg ITA-SLO 14-20 not eligible in kind contributions

BL1 - Staff Costs

Who:

- Permanent employees of the beneficiary
- Temporary employees of the beneficiary
(full or part-time)



what:

- salary payments raising from the work contract
- Other costs directly linked to the salary (taxes, social contributions, pensions quota, extra salaries°...)
provided they are stable and ciclic
(no result awards or for achieving objectives)

BL1 - Staff Costs

HOW:

a) On flat rate(simplification option)



b) Real cost basis

Attention: NO MIX

a) Staff costs on flat rate

Art. 19 of Reg. (CE) 1299/2013

three options as choice by single beneficiary:



1. 20% of eligible direct costs other than staff with travel and accomodation included in the flat rate (no possible to report BL3)



2. 10% of eligible direct costs other than staff (is possible to report BL3 that is direct cost)



3. 15% of eligible direct costs other than staff for private beneficiaries (is possible to report BL3 that is direct cost)

ATTENTION

It is necessary to justify the eligibility on flat rate basis in the project proposal

a) Staff costs on flat rate
Art. 19 of Reg. (CE) 1299/2013



Direct costs for calculation of flat rate :

- External expertise and services costs
- Equipment Costs
- Travel and Accommodation costs (except for 1^o option 20%)
- Infrastructural Investments and works (except when this cost category represents the essential core of the operation - in this case no flat rate possible for staff costs but only real costs method)

b) Staff Costs on real basis principle

1) 100% costs for staff whose activity is fully dedicated to the project (NO TIMESHEET needed): eg. Temporary contract employment contract

2) Quota of costs for staff working part-time on the project:



2a) Expenditure calculated as a fixed monthly quota in proportion to a percentage of working time dedicated to the project = NO TIMESHEET needed (for staff having a steady work load on the project with a % of assignment to be provided at the beginning of the project)



2b) Expenditure calculated as flexible percentage of the gross employment cost (varying number of worked hours): TIMESHEET NEEDED

Gross yearly cost
/ 1720 hours
FOR ITALIANS



Hourly cost:

Monthly gross salary/
N. Working hours as in nat. contract
FOR SLOVENIA

BL2 - Office and administrative expenditure (*overheads*)

Art. 68(1) lett. b of Reg. (CE) 1303/2013

- Only in simplification option -

- 15% of staff costs (calculated as flat rate or real cost)



Compulsory list from reg. 481/2014

- Office rent
- Insurances
- Utilities
- Office supplies
- General Accountancy
- Maintenance
- Cleaning
- Repairs
- Security
- IT Systems (except costs reported under equipment)
- Communication (phone, fax, web...)
- internet
- Bank charges (including separate bank account if dedicated to the project)
- Financial charges

Items included in the above list cannot be reported under other BL

BL3 - Travel and accommodation expenditures

- Travel costs(eg. Tickets, travel insurance, fuel, mileage reimbursement, park, tolls);
- Meals and accomodation (eventually visa)
- Daily allowances

Attention:


- External experts T&A costs must be reported under respective BL4
- Expenditure Outside eligible Area must be indicated in App. Form or duly authorized by Managing Authority
- General principle of most economic way of transport must be respected and demonstrated when reporting (eg for taxi or private car)

**Remember: if flat rate 20% of staff is the chosen option
no possible to report T&A costs**

BL4 - External expertise and services

- All collaboration and contract not included in staff costs BL1 : consultants, occasionally workers, italian «assegni ricerca» and «co.co.co», scholarhips (as provided by single national rules) and their Travel and accomodation costs;
- All services needed for the implementation of project activities;
 - Studies, research, events organization, IT systems specific for the project, websites, tecchnical Assistance ...;
- Also guarantees costs provided by a bank or other instituion if required by law

For all procurement procedures
(also valid for next budget lines)

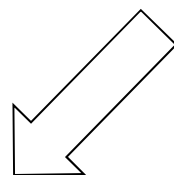
- Strict respect of national public procurement rules
-  New Programme tresholds : >250,00 € (up to national tresholds) compulsory for all beneficiaries **request of at least 3 offers**

BL5 - Equipment Costs

- Purchase, rental or lease of equipment (not foreseen as administrative cost as in related list) :

Office equipment, IT hardware e software, furniture and fittings, laboratory equipment, instruments and machinery, tools and devices, vehicles, other specific uquipment needed for the project.

If equipment used for project management (pc, printers, projectors ...) eligible only pro quota following depreciation principle; 100% cost eligible only if used exclusively for project purpose and depreciation is shorter than project duration



If technical equipment eligible 100% : provided that equipment is used for the achievment of project objectives, and the maintenance of properties and use is guaranteed for at least 5 years form date of final payment

BL6 - Infrastructural Investments and works

INTERREG ITA-SLO 14-20 PROGRAMME allows this cost category in addition to list of Reg.(UE) 481/2014.

this BL refers to :

- A. Purchase of land (no more than 10% of project budget)
- B. Restoration and recovery of buildings
- C. Building Interventions

The beneficiary, public or private, must own the real estate on which the intervention is realized, except:

- If the property/land is owned by public body: required a lease/rent or concession for at least 5 years duration after project end.
- If the property/land is private : the beneficiary must own property rights in rem to be maintained for at least 10 years

NEW

Eligibility and timing, and preparatory costs

- Eligibility period of the expenditure will be indicated in subsidy contract (start date & end date)

+ 3 months

from end date of the project, in order to allow execution of payments, provided that activities have to be closed before end date

- Preparatory costs:

- For application form preparatory activities, done from 1° july 2015 and untill deadline date of the call, and paid within 3 months from the deadline, and reported in 1° report.
- Limit: 20.000,00 € and 5% of total budget
- Eligible costs are: Staff (no flat rate), Ext. experts and services, and T&A costs

Interreg

ITALIA-SLOVENIJA



UNIONE EUROPEA
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Fondo europeo di sviluppo regionale
Evropski sklad za regionalni razvoj

**Hvala!
Grazie per l'attenzione!
Thank you for the attention!**

Mr Roberto Piccini

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UDINE/VIDEM, 9.06.2016

Building bridges between cross-border experiences 2007-2013 and perspectives 2014-2020 - UDINE/VIDEM, 9.06.2016