Technical Seminar on expenditure verification and reporting
Module II follow up

ENPI CBCMED
CROSS-BORDER COOPERATION IN THE MEDITERRANEAN

Approaching Annex VI Interim Financial Report: Filling in the list of expenditures

Valletta, 28th May 2014

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Training seminar on Reporting and Expenditure Verification

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Steps to be followed for receiving a pre-financing:

1.Pre-conditions of art. 15 of the General Conditions are satisfied

2.Request of INTERIM REPORT PACKAGE by the Beneficiary

3.Transmission of the INTERIM REPORT PACKAGE from the Beneficiary to the Project Partners

4.Preparing all the supporting documents for the External Auditor

5.Fill in List of expenditures and Annex VI Financial Report

6.Drafting the Annex VII- Expenditure Verfication Report by the Beneficiary/Project Partner external auditor

Module II – Approaching Annex VI Interim Financial Report

The financial interim package

The following documents will be sent to the Beneficiary:

1) ***List of expenses (new)***
2) ***Annex VI – Interim financial report REVISED in January 2014;***
3) *Annex VII – Expenditure verification report* ***REVISED January 2014***
4) *The EVR findings (list of factual findings)* ***(new)****;*
5) ***Annex V "Request for payment*** *(to be filled in by the* ***Beneficiary only****)*

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Module II – Approaching Annex VI Interim Financial Report

List of expenses

- **Detailed list of expenses, actually incurred in the reporting period – all expenditure regardless the factual finding found by the external auditor**
- **It is more a monitoring file than just a simple reporting file;**
- **Highly recommended to fill in this file on regularly basis in order to have it ready when you need to report.**

- See .xls file

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Technical Seminar on expenditure verification and reporting
Module III

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Annex VI Interim Financial Report, Annex V payment request and further pre-financing

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Module III – Annex VI Interim Financial Report

Annex VI – Interim financial report

File structure

- ***Interim report_consolidated;***
- ***Interim report_BEN;***
- ***Interim report_PPs;***
- ***Table B_consolidated;***
- ***List of Auditors.***

See .xls file

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Module III – Annex VI Interim Financial Report

Annex VI – Interim financial report

How to fill in partner's worksheet (Interim report_PPs)

- columns automatically pre-filled in (grey one…)

- columns to be filled in (white one…)

How to fill in List of Auditors' worksheet

See .xls file

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Module III – Annex VI Interim Financial Report

Annex VI – Interim financial report

- ✓ **Expenditures incurred in national currency**
- ✓ **Expenditures incurred in Euro**
- ✓ **Committed funds**
- ✓ **Following 12-months period expenditures forecast**

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Module III – Annex VI Interim Financial Report

Annex VI – Interim financial report

Expenditures incurred in national currency : average exchange rate with Euro of the period (ref. art. 15.8 G.C.)

- The Contracting Authority shall make payments in the currency of the country to which it belongs or in euro, in accordance with the Special Conditions. In the latter case, **any conversion into euro of the real costs borne in other currencies shall be done at the rate made up by the average of the rates published in InforEuro for the months covered by the relevant report, unless otherwise provided in the Special Conditions**.
- In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to restructuring the Action in order to lessen the impact of such a fluctuation. Where necessary, the Contracting Authority may take additional measures.
- ***See .xls file***

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Module III – Annex VI Interim Financial Report

Annex VI – Interim financial report

- ✓ **Expenditures incurred in Euro**
- ✓ **Committed funds (includes reported)**
- ✓ **Following 12-months period expenditures forecast (to be assessed by JTS)**

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Module III – Annex VI Interim Financial Report

Method to calculate further pre-financing installments to be indicated in Annex V

- ✓ **Reported** = reported – not eligible expenses
- ✓ **Forecast admissible** = forecast – inconsistent amount
- ✓ **Cash status** = pre-financing – 80% of ENPI share of certified amount
- ✓ **Further pre-financing** = Forecast admissible – cash status

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Module III – how to fill in the request of payment Annex V

Method to calculate further pre-financing installments

When filling in Annex V "request of further pre-financing" Beneficiary must:

1) **Indicate** the occurred expenditures amount, **as reported in Annex VI** - Interim Report (Financial): see the example;

2) **Indicate** the amount of requested **pre-financing** covered by the annexed Interim Report and claimed to be deducted from the total sum of pre-financing: see the example.

3) **Indicate the date of the current reported period**

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Module III - how to fill in the request of payment Annex V

Method to calculate further pre-financing installments to be indicated in Annex V: Example (assuming ENPI share 90% total costs)

- **First pre-financing received (ENPI): 200.000 €**
- **Reported amount (total costs): 160.000 €**
- **ENPI share** of reported amount: 160.000 € x 90% = **144.000 € (72% First pre-financing received);**
- **CASH status (ENPI):** 200.000 € - 144.000 € = **56.000 € (ENPI share still available at project level);**
- **Forecast following 12 months** indicated in the interim: 4**00.000 €**
- **ENPI share of the forecast:** 400.000 € x 90%= **360.000 €**
- **Maximum amount of pre-financing:** 360.000 € x 80% = **288.000 €**
- **Amount of further pre-financing to be requested in annex V =** 288.000 € - 56.000 € = **232.000 €**
- **YOU CAN ASK MAXIMUM 232.000 € as further pre-financing!**

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Module III – JMA establishment of further pre-financing resulting from the analysis of the interim report

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Method followed by the JMA to determine the amount of further pre-financing to be given to the Beneficiary

- ✓ **Certified amount** = reported amount – amount of non eligible expenses
- ✓ **Cash status** = pre-financing given – 80% of ENPI share of certified amount
- ✓ **Admissible Forecast** = forecast indicated in Annex VI – inconsistent amount in the forecast (upon JMA evaluation on the reported costs, non eligible expenditures, commitments and activities).
- ✓ **Further pre-financing to be given** = Admissible Forecast – cash status

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Module III – JMA establishing the further pre-financing

Method to calculate further pre-financing installments: EXAMPLE (assuming ENPI share 90% total costs) Certified amount and cash status

According to the submitted interim report:

- **First pre-financing received (ENPI): 200.000 €**
- **Reported amount (total costs): 160.000 €**
- **ENPI share** of reported amount: 160.000 € x 90% = **144.000 € (72% First pre-financing received);**

After JMA evaluation:

- **Not eligible expenditures determined by JMA: 10.000 € (for example)**
- **Certified amount: 150.000 € (=160.000 € reported – 10.000 € not eligible)**
- **ENPI share** of certified amount: 150.000 € x 90% = **135.000 €**
- **CASH status (ENPI):** 200.000 € - 135.000 € = **65.000 € (ENPI share still available at project level);**

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Module III – JMA establishing the further pre-financing

Method to calculate further pre-financing installments: EXAMPLE (assuming ENPI share 90% total costs) Forecast admissible and the further pre-financing to be given to the Beneficiary.

- **Forecast following 12 months** indicated in the interim: **400.000 €**
- **Forecast admissible: 389.300 € (= 400.000 € - 10.700 € including the 7% of administrative costs linked to the forecast)**
- **ENPI share of the forecast:** 389.300 € x 90%= **350.370 €**
- **Maximum amount of pre-financing:** 350.370 € x 80% = **280.296 €**
- **Amount of further pre-financing to be given = 280.296 €** - 65.000 € = **215.296 €**
- **YOU WILL RECEIVE 215.296 € and NOT 232.000 € as further pre-financing!**

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Thank you for the attention

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