

Financial Aspects of the Programme

Funds and Programme Division

**Ministry of European Affairs and Implementation of
the Electoral Manifesto**

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Budget lines applicable for the INTERREG EUROPE Programme

- Preparation Costs
- Staff
- Administration
- Travel and Accommodation
- External Expertise and services
- Equipment



Preparation costs

- Preparation costs are fixed in the form of a **lump sum of EUR 15,000** for approved projects.
- This amount will be automatically included in the lead partner's budget at the application stage.
- The lump sum for preparation costs is allocated to the lead partner's budget nevertheless the partnership should share the preparation costs, reflecting the partner's involvement in the preparation of the application form.



Staff Costs

- Staff costs consist of costs for staff members employed by the partner organisation and who dedicate a number of their normal working hours to the project.
- Staff costs cover the partner's organisation gross employment costs which comprise the following:
 - Salary payments;
 - Other costs directly linked to salary payments paid and not recoverable by the employer (employment taxes, social security).



Staff Costs

Staff Costs have to be calculated on a **real cost basis**.

Four different options of calculating staff costs are eligible under this programme:

1. Person employed by the organisation and working **full time** on the project;
2. Person employed by the partner organisation, working **partly on the project at a fixed percentage**;



Staff Costs

3. Person employed by the partner organisation, working **partly on the project at a flexible percentage** (flexible number of hours per month);
4. Persons employed by the partner organisation on an **hourly basis**. (hourly rate X no of hours worked)

Within the same partner organisation, the four above mentioned methods may exist if several people with different working contracts are working on the project.



Office and Administration Expenditure

- Office and administrative costs cover the general administrative expenses of the partner organisation that are necessary for the delivery of project activities.
- Based on Art 68(1)(b) of regulation no 1303/2013, office and administrative expenditure are budgeted and reported as a **flat rate of 15% of each partner's staff costs.**



Travel and accommodation

- Expenditure on travel and accommodation is limited to the following items:
 - a) Travel cost (e.g flights, train);
 - b) Meals
 - c) Accommodation
 - d) Daily allowances
- Any item listed in a) to c) above covered by a daily allowance will not be reimbursed in addition to the daily allowance.



Travel and accommodation

The following principles must be respected:

- Travel and accommodation budget line is reserved only for the internal staff of the organisation.
- Costs must be borne by the partner organisation. Direct payment by employee must be supported by proof of reimbursement from the employer.



Travel and accommodation

- Directly related to the implementation of the project.
- Relate to trips undertaken within the programme area. Trips outside the programme area are only eligible if they are explicitly mentioned and justified in the application form.
- Real costs and daily allowances must be in line with the national rules applicable to the partner organisation (MFIN Circular MF201/92/B).



External expertise and services

- The costs of external expertise and services are connected to the implementation of certain project tasks that cannot be carried out by the project partners themselves (mainly due to the lack of internal resources) and therefore are outsourced to external service providers.
- The work of external service providers is necessary for the project and should be detailed in the application form to be eligible.



External expertise and services

Expenditure on external expertise and services are limited to the following services :

- Studies or surveys;
- Training;
- Translations;
- IT systems and website development;
- Information and publicity;
- Financial management;
- Event organisation (including rent, catering..);



External expertise and services

- legal consultancy, technical and financial expertise, other consultancy and accountancy services;
- first level control costs;
- travel and accommodation for external experts;
- other specific expertise and services needed for operations.



External expertise and services

- Remember that public procurement rules must always be observed.
- Project partners cannot contract one another within the same project. If a project partner cannot implement a certain task, the task may be reallocated to another partner or procured from an external service provider.



External expertise and services

- Costs for external expertise and services **should not exceed 50%** of the total project budget, bearing in mind that the beneficiaries of the project's work should be the actual project partners.



Equipment

- Expenditure for the financing of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project. This includes costs of equipment already owned by the partner organisation and used to carry out project activities.
- Considering the nature of Interreg Europe project activities, the focus of this budget is on office equipment for project management purposes.



Equipment

- Costs of equipment are eligible only if they are detailed in the application form. Normally, only planned equipment costs are eligible for funding.
- Not more than **Eur 5,000- 7,000 per project** can be budgeted/spent on equipment.
- Equipment items can only be funded by the programme if no other EU funds have contributed towards the financing of the planned equipment.



Budget lines

Budget line	Recommendations/ rules	Applicable for
Staff costs	Usually largest share of the total budget	the personnel/ staff employed by the partner institutions officially listed in the application form
Office and administrative expenditure	Flat rate of 15% of the staff costs (automatically calculated in application form)	
Travel and accommodation costs		
External expertise and services costs	Usually less than 50% of the total budget	external experts (including their office and administrative expenditure + travel, equipment costs)
Equipment expenditure	Aim for office equipment not exceeding EUR 5,000 – EUR 7,000 per project	the personnel/ staff employed by the partner institutions officially listed in the application form

End date of eligibility of expenditure

The end date of the project is the **date by which:**

- all the project activities must have been completed (incl. all activities related to the administrative closure of the project, such as first level control);
- all payments must have been made, meaning debited from the bank account.

Any expenditure (including costs linked to project closure) incurred, invoiced or paid after the official project end date is ineligible.



Other budget and eligibility rules

- VAT

Vat is not eligible except in the case where VAT is non-recoverable under national VAT legislation. In practice if a partner can recover VAT (regardless whether he actually does or not), all expenditure reported to the programme has to be reported without VAT.



Other budget and eligibility rules

- Gifts

Gifts are not eligible, except those not exceeding EUR 50 per gift which relate to promotion, communication, publicity or information. The production of such promotion, communication, publicity or information material requires the approval of the joint secretariat beforehand.



Non eligible costs

- Fines, financial penalties and expenditure on legal disputes and litigation as well as interest on debt are not eligible.
- Contributions in kind i.e provision of works, goods, services for which no cash payment has been made are not eligible.
- Any expenditure which is already 100% co-financed by another EU funding source or a national subsidy is not eligible in the context of an Interreg Europe project (double financing).



Other eligibility rules

- If a project generates net revenue for example through services, conference participation fees, it must be deducted from eligible costs.
- It is important to take note that funds are received on a reimbursement basis (no advance payment).



Procurement

- All project partners, including non public organisations should follow the principle of transparency, non-discrimination, equal treatment and effective competition.
- Project partners have to be in a position to demonstrate the good use of public funds.



Procurement

- Costs must relate to activities planned in the application form, be necessary for carrying out the activity and achieve the projects objective and be included in the project estimated budget.
- Project partners can only present claims for reimbursement of expenses actually paid. Costs must be paid by the partner organisation, debited from its bank account not later than the project end date and be sustained by proper evidence.



Further details ...

Additional information on the eligibility of expenditures is available on the programme manual which is available for download from the programme's website: www.interregeurope.eu and is also be available on the Funds and Programmes Division website www.eufunds.gov.mt



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Thank you
for your attention

