

MINISTERU GĦALL-AFFARIJET EWROPEJ U  
L-UGWALJANZA

SEGRETARJAT PARLAMENTARI GĦALL-FONDI  
EWROPEJ U ID-DJALOGU SOĊJALI

*Id-Divizjoni għall-Fondi u Programmi*



MINISTRY FOR EUROPEAN AFFAIRS AND  
EQUALITY

PARLIAMENTARY SECRETARIAT FOR EU  
FUNDS AND SOCIAL DIALOGUE

*Funds and Programmes Division*

03<sup>rd</sup> September 2018

RA Circular 14/2018

### **Simplification procedure adopted for reimbursing Staff Costs**

Dear Beneficiaries,

Reference is made to the Responsible Authority's (RA) Eligibility Rules version 5 of September 2018, Chapter 2 Budget Component, *Staff Costs*. The scope of this circular is to simplify the procedure that is adopted when claiming staff costs in order to reduce administrative burden and facilitate the payment procedure. This is also in line with the provisions listed in Commission Regulation 514/2014 on the Asylum, Migration and Integration Fund and Internal Security Fund.

The following methodology has therefore been applied when claiming staff costs. In case of employees working full time on the project, a copy of the contract and the department's collective agreement (if applicable) have to be uploaded at Procurement level on the online database, MSIS. Furthermore, in instances where the respective contract is not recent and the collective agreement is not present, a declaration has to be provided by the HR or Accounts office identifying the current salary scale of the employee. The provision of a payslip is no longer required when claiming staff costs however the workings used to calculate the costs that will be claimed for each month, as per attached template (Annex 1) are to be provided instead<sup>1</sup>. A declaration from the accounts office confirming that the social security contributions have been paid by the employer is to be provided with the claim for reimbursement. Proof of payment, identifying the amount that was received by

<sup>1</sup> In cases where employees are not employed from the beginning of the pay period, the RA may decide not to reimburse the first pay period for simplification purposes. The same applies in case a person's employment is terminated prior to the end of the pay period.

the employee is to be provided upon the RA's request, during on-the-spot checks and any other audits held on the project.

As for staff who are assigned on the project, a further simplification formula, as per *eligibility rule 1.11*, is to be provided to establish the hourly rate. This is to be calculated on the basis of the annual gross salary, annual statutory bonuses, any other bonuses as listed in the contract, and the total yearly social security contributions paid by the employer. The number of hours worked on the project will then be multiplied by the hourly rate. The total amount will then be divided by 1720 hours. Should the person's employment with the organisation be on a part-time basis, the total number of hours, i.e., 1720 hours is to be calculated on a pro-rata basis. In both instances, only timesheets<sup>2</sup> and the workings used to calculate the sum being requested for reimbursement is to be provided with the claim for reimbursement. Proof of payment confirming the amounts received by the employee is to be provided upon the RA's request during on-the-spot checks and any other audits held on the project.

Beneficiaries using the 1720hrs calculation, are reminded of the following:

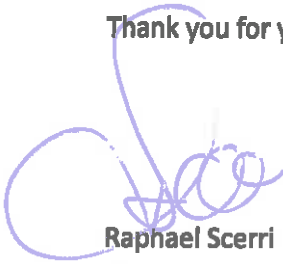
- The latest documented annual gross employment costs consists of the annual basic wage, annual statutory bonuses, social security contributions paid by the employer; and any allowances, as defined in the collective agreement associated to the position for which the person is being employed or the contract of the employee. No other allowances are to be included in the calculation.
- The 1720hrs equation already takes into account any normal V/L and S/L. The number of hours worked should include ONLY the actual number of hours spent working on the operation and are not to exceed the 1720 hrs in a full calendar year.
- A copy of the assignment letter is to be provided, as per *eligibility rule 1.7* identifying the assigned tasks, gross annual salary, maximum number of hours worked, and the duration of the assigned tasks.

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<sup>2</sup> Refer to Annex II of the Eligibility Rules for template.

No hard copy documents are to be forwarded to Responsible Authority since these will be verified through the online database, MSIS. Beneficiaries are reminded to ensure that any documentation uploaded on the system is legible and clearly labelled at all times.

Thank you for your cooperation.



**Raphael Scerri**  
**Director General**  
**Funds and Programmes Division**

**Annex 1:**

**Breakdown of salary costs:**

Payroll No.	Pay period		Social Security Contribution Declaration? [Yes/No]	Inland Revenue Receipt <sup>3</sup> or DAS Schedule of Payment? [Yes/No]	IR receipt no. or Schedule voucher no. [as applicable]	NI Declaration Form signed by Financial Controller	Total Eligible Expenditure
	From	To					

<sup>3</sup> NGOs shall only indicate the Inland Revenue Receipt and respective Receipt No. accordingly  
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