



MA Circular 02/2010 (update 1)

31st May 2011

To: **Project Leader – Intermediate Bodies**
Control Units – Intermediate Bodies
Structural Funds and Cohesion Fund 2007-13 Horizontal Stakeholders

Documents to be uploaded in the Structural Funds Database 2007-13 – Aid Schemes

A: Introduction

In February 2010, the MA issued MA Circular 02/2010 containing a list of essential documents required for the processing of payments, to ensure consistency of information required in the conduct of first-level controls, to provide clear guidance, to eliminate unnecessary duplication of work, to reduce administrative burdens and to mitigate the impact on SFD07-13 capacity.

Since publication of the Circular, the MA and IBs have been testing the impact of the uploading procedure on the day-to-day operations of the IBs. Constraints were identified, largely due to the fragmentation of the schemes, resulting in potentially damaging effects on the timely processing of reimbursement claims to private sector beneficiaries. In the light of this and of the ongoing drive for simplification and proportionality across the European Union, the MA is intensifying its efforts to streamline procedures towards a leaner system, without compromising the basic requirements laid down in the relevant articles of the General Regulation (EC1083/2006), the Implementing Regulation (EC1828/2006) and the guidance document on management verifications (COCOF 08/0020/04-EN).

Below is an explanation of the relevant changes which apply only to the implementation of aid schemes. This revised Circular is, therefore, intended to further reduce administrative burdens but should not be construed as a reduction in the scope and intensity of management verifications.

B. Explanation of relevant amendments

The changes outlined in this revised Circular are the following:

1. *At Contracts Level*

The obligation to upload the *Documentary and Physical On-the-Spot checks by the IB on the Beneficiaries and any reports on follow-up checks by the IB* in the original Circular is being qualified further. IBs are now being required to upload a pre-reimbursement administrative check report which may take two forms;

- a. either an *on-the-spot documentary and/or physical* check report, in those cases where the IB conducts on-site checks at the Beneficiary prior to payment, in fulfilment of its obligations under Article 13(2)(a) and/or (b) of EC1828/2006 and the Covenant with the MA; or
- b. a *desk-based documentary* check report, where the IB conducts only desk-based checks prior to payment, following submission of all relevant documentation by the Beneficiary. This shall be deemed to be in fulfilment of the IB's obligation under Article 13(2)(a) of EC1828/2006. This may subsequently be complemented by a physical on-the-spot check report in fulfilment of its obligations under Article 13(2)(b) and the Covenant with the MA.

In either case the report should give reasonable assurance of the correctness, regularity and eligibility of claims on Structural Funds.

The Agreement between IB and Beneficiary and any Addenda to this Agreement shall continue to be uploaded in this section as well.

2. *At Invoice Level – No obligation to upload payslips and the NI declaration in support of reimbursement requests.*

Beneficiaries are still required to submit payslips or a copy of the payroll along with their claims and these must be checked as per usual procedure; however **IBs are not required to upload** scanned copies of the said documents on the SFD07-13. IBs are to retain copies of these payslips/payroll in file and to forward the payslips/payroll physically to the Line Ministry, for further transmission to the Treasury to complete reimbursement.

The same arrangements apply to proof furnished in support of the Employer's Social Security Contribution. The declaration that the employer's share of SSC has been included in the monthly statement (FS5) (or any other equivalent proof) shall no longer be uploaded. However, the document submitted by the Beneficiary is to be physically forwarded to the LM and Treasury along with the respective copy of the FS5 (and a copy held in the IB's file).

In order to allow for efficient desk-based checks at the level of other Beneficiary organisations, the IB is obliged to furnish – within two days of a written request – scanned copies of such payslips/payroll and NI proof of payment if requested by the Managing Authority, the Certifying Authority or the Audit Authority, as the case may be.

Therefore, along with the reimbursement request form, IBs are now required to upload the staff costs calculator (or equivalent, based on the generally accepted staff costs formula¹), duly certified correct by the scheme's control unit and/or the Project Leader (as applicable). Where the Beneficiary is claiming the minimum wage, the calculator (or equivalent) may not be required, but it should be made clear by the IB (on the reimbursement request form) why it is not being uploaded.

3. *Minor change* – At Project Level, reference to the *Grant Agreement* shall be amended to read *The Covenant*.

C. Actual REVISED SECTION 2: GRANT SCHEMES – ERDF, ESF

At Project level:

- The Covenant between the Managing Authority and the Intermediary Body;
- Any addenda to the Covenant;
- Documentary and Physical On-the-Spot checks by the MA and any reports on follow-up checks by the MA;

At Contracts level:

- Agreement between IB and Beneficiary;
- Addenda to the Agreement between IB and Beneficiary;
- Pre-reimbursement administrative and/or physical check report by the IB (as per section B1 above) and any related follow-up reports by the IB;

¹ Refer to relevant Eligibility Rules.

At Invoice level:

- In the case of employment:
 - the **Reimbursement Request Form**, duly signed by the Beneficiary and certified correct by the IB;
 - the **staff costs calculator (or equivalent)** certified correct by the IB Control Unit and/or the Project Leader (as applicable);

- In the case of other claims on a reimbursement basis:
 - the **Reimbursement Request Form**, duly signed by the Beneficiary and certified correct by the IB;
 - **supported by:**
 - either a tax invoice and proof of payment (e.g. receipt, e-banking documents, bank statements, bank transfer advice slips, official cheque images issued by the bank);
 - or invoices together with fiscal receipts;
 - In case of works or technical supplies, certificate of works by an architect or engineer and summary of the bill of quantities ;

- **Final Invoice Status Certificate** after approval of the Treasury

Upload requirements and Data Protection compliance

IBs are reminded that documents are to be uploaded only in Portable Document Format (PDF). Assistance on how to upload the documents on the database can be sought at the SFD07-13 tutorials website: <http://www.ppcd.gov.mt/tutorials>. In all cases, including a request for quotations, invoices and commercial and/or employment contracts, it is the responsibility of the IB uploading the data/document on the SFD to ensure that the Data Protection Act (ACT XXVI of 2001 and subsequent amendments) is being observed and that individuals are informed that the data concerned will be accessible to national and EU stakeholders (or their delegated bodies) for payment, control and audit purposes.



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