*Sharing solutions
for better regional policies*

Financial rules and procedures in Interreg Europe - second call projects

Aleksandra Niechajowicz

Finance Officer

Interreg Europe joint secretariat

Madrid, 14 June 2017

CONTENT

1. Financial reporting and first level control
2. The iOLF reporting system
3. Eligibility rules
4. Points of attention

1. FINANCIAL REPORTING AND FIRST LEVEL CONTROL

Reporting deadlines and procedures

- Reporting periods are set by call subject to the monitoring committee (MC)'s approval

- 2nd call MC's approval 5 October 2016

		Reporting period	Deadline for submission
Phase 1 (e.g.36 months)	six-monthly	01 Jan – 30 June 01 July – 31 Dec	01 October 01 April
Phase 2 (24 months)	annual*	01 Jan – 31 Dec	01 April (first year) 31 Dec (second year)

* six-monthly reporting under certain conditions (eg. decommitment risk, high amounts due to pilots)

Preliminary steps

- During the first reporting period project partners:

✓ have signed the project partnership agreement

ONLY partners who signed the project partnership agreement can report costs!

Preliminary steps

- During the first reporting period :

✓ Spanish project partners propose their FLCs to **Ministerio de Hacienda y Función Pública**

✓ Ministerio de Hacienda y Función Pública **designates the FLCs through iOLF**

Ready for the reporting procedures!

Main steps

1
- Project partners send their reports incl. list of expenditure and list of contracts to their FLCs through iOLF

2
- The FLCs verify and confirm the eligibility of the expenditure reported by the respective project partners in iOLF

3
- The lead partner consolidates and submits the joint progress report to the JS

Main steps

1 PPs fill the partner reports and submit them to their FLCs through iOLF

The partner report includes:

- PP's activity report
- The list of expenditure
- The list of contracts

1 The partner's activity report

' Activities summary' tab of the partner report

➡ not included in the joint progress report

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditures	✔ FLC checklist	✔ FLC report

Reporting period 3 ⌄   Version 4 (Control work started) ⌄

Activities Summary

Please briefly describe the activities that have taken place in this reporting period

dddd

The partner's activity report

- Goal = to provide information to the FLC on the activities carried out

- Can be filled in Spanish

- Not compulsory to use = information can be provided outside the system

1 The list of expenditure (LoE)

VM15

4. List of Expenditure ⓘ

Do any corrections linked to previous PRs have to be implemented in the current PR? ⓘ

Budgetline ⓘ		Total budget	Previously reported	Currently reported	Certified amount	Total reported so far	% of Total reported so far	Remaining budget
Preparation		15,000.00	15,000.00	0.00	0.00	15,000.00	100.00%	0.00
Staff costs	✓	199,300.00	34,333.25	40,999.86	0.00	75,333.11	37.80%	123,966.89
Office and administration		29,895.00	5,149.99	6,149.97	0.00	11,299.96	37.80%	18,595.04
Travel and accommodation	✓	33,055.00	1,946.76	3,964.76	0.00	5,911.52	17.88%	27,143.48
External expertise and services	✓	33,600.00	1,275.38	7,652.85	0.00	8,928.23	26.57%	24,671.77
Equipment	✓	0.00	0.00	0.00	0.00	0.00	0.00%	0.00
(Net Revenue)		0.00	0.00	0.00	0.00	0.00	0.00 %	0.00
Total		310,850.00	57,705.38	58,767.44	0.00	116,472.82	37.47 %	194,377.18

VM15   New screenshot of loe without the financial correction shhet
Virginia Moscadelli; 06/06/2017

The list of expenditure

- Costs incurred and paid by the partner in the reporting period

- For PR1: eligible from 5 October 2016 until 30 June 2017 (no costs paid out after!)

1 The list of expenditure

Descriptions in the list of expenditure:

- self-explanatory

- clear link with reported activities/outputs planned in AF

1 The list of expenditure

Why so important?

- Finances have to match the activities

- Costs in PR reported against expenditure planned in AF

Expenditure in list of expenditure coherent with reported activities + costs planned in AF!

1 The list of contracts (LoC)

- Listing **all** contracts used for the implementation of the project (above & below EU thresholds)

3. List of contracts

Contract number	Supplier name	Contracted amount (excluding VAT)	Contracted amount (including VAT)	Above EU threshold	Procedure applied	Contract type	Partner comments	FLC comments
P06-01	████████	1,600.00	1,600.00	☐	Negotiated procedure without prior publication	Services	Travel and accomodation for 2 stakeholder representatives to participate in the thematic seminar ██████	

➕ Add Contract

The list of contracts (LoC)

- For costs related to travel and accommodation, external expertise and equipment

3. List of contracts

Contract number	Supplier name	Contracted amount (excluding VAT)	Contracted amount (including VAT)	Above EU threshold	Procedure applied	Contract type	Partner comments	FLC comments
P06-01	▬▬▬▬	1,600.00	1,600.00	☐	Negotiated procedure without prior publication	Services	Travel and accomodation for 2 stakeholder representatives to participate in the thematic seminar ▬▬▬▬	

➕ Add Contract

Only contracts above EU thresholds should be transferred to the joint progress report. To transfer a contract into the joint PR, just tick the box 'above EU threshold'

What to include in the LoC?

'Classical' contracts

Any written contractual agreement e.g. confirmation emails or purchase orders.

What you should not include in the LoC?

- One-off purchases

- Oral agreements since not documented

Main steps

2 A

FLCs check the expenditure and fill the control report including checklist in iOLF

Partner reports certified!

Main steps

2 B The Validation Body validates the FLC certificate in iOLF

Partner reports certified!

Main steps

3

PPs send their certified partner reports to the LP through iOLF.

Submit to the lead partner

The partner report includes:

- First level control certificate

- Control report including checklist

- Certified list of expenditure including the list of contracts

- PP's activity report

Main steps

4 The LP consolidates the partner reports in the joint progress report (PR) in iOLF

No longer special role for the lead partner's controller! NEW

4 Main steps

The LP consolidates the partner reports in the joint progress report, checking that the reporting complies with the minimum requirements :

- the expenditure is related to the project and corresponds to the activities in the application form

- the partner expenditure certified by a controller is in line with national control requirements (first level control certificate)

Main steps

BUT in case of doubts → LP asks for clarifications from PPs and can:

- undertake minor changes (eg. no change in amount)
- send back the partner report (new FLC certification)

PP + FLC always informed!

Main steps

5 LP submits the joint PR to the JS within three months after the end of reporting period

1 October 2017

for the first reporting period

Main steps

6

Clarification and/or approval of the joint PR

The LP answers to JS's clarification requests ➡ PPs should be cooperative and provide input if needed

Main steps

7 Execution of payment by the certifying authority

Main steps

8 The LP transfers the programme funding to PPs in compliance with the amounts stated in the PR

Reporting deadlines and procedures

How to make sure to have a **sound financial reporting** in place and to be able to report costs in full and in time **by 1 October 2017**?

Yes, it is possible!

- Work with internal deadlines
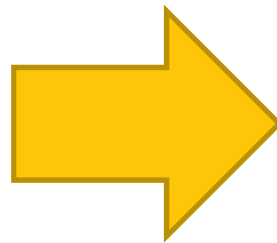
- **PPs reporting to their FLC**

  ✓ PPs submit their partner report to the FLC **shortly after**
  the end of a reporting period

- **PPs reporting to lead partner**

  ✓ Ensure LP has sufficient time to compile the PR and
  submit it on time

References

Read the programme manual

Section 6.2 Reporting

Section 7 Financial management

Time for questions…

2. THE IOLF REPORTING SYSTEM

Two interlinked systems

Interreg Europe data base

iDB

Joint secretariat
Managing authority
Certifying authority

Partner states*
Approbation bodies*

*statistics

Interreg Europe online forms

iOLF

Lead partners

Project partners
First level controllers
Validation bodies (ES & PT)
Approbation bodies
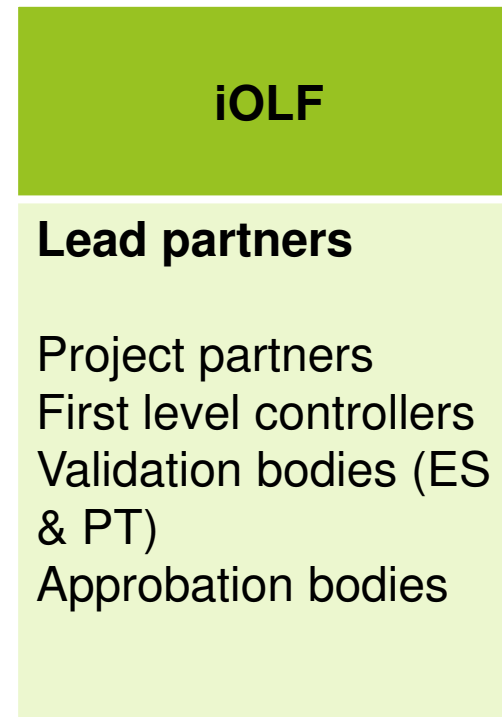
Reporting fully online

Reporting fully online in the iOLF system! (no more paper documents)

- Partner reports
  - (incl. list of expenditure and list of contracts)
- FLC designation (no longer paper designation certificates)
- FLC certification
  - (incl. the first level control certificate, the control report incl. checklist, and the financial correction sheet, if applicable)
- Joint progress report

NEW!

Reporting fully online

PPs need access to iOLF

- LP creates **only** the access for PPs

Project Users	Application Form (Version 1) ⌄		User Administration
Number	**Organisation (English)**	**Email**	**Status**
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	i.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active

Reporting fully online

FLCs need access to iOLF

- **Ministerio de Hacienda y Función Pública**:

- creates FLC accounts in iOLF ➡ activation of accounts by FLCs

- assigns FLCs to their PPs in iOLF ➡ activation of assignments by FLCs

Reporting system - iOLF

http://iolf.eu/Account/Login?ReturnUrl=%2f

PROJECT PARTNERS DASHBOARD

Project dashboard for PPs

Project History

Title	Version	Status	Last Updated
Application Form	1	Submitted 14/04/2017 16:00 k.ecke@interregeurope.eu	k.ecke@interregeurope.eu 14/04/2017 16:00:55

Document Center

[Download] [Change Filter]

Name	Size	Changed on
Application Form_PGI04933_WEB-INAR.pdf	486.48 kB	14/04/2017
Practical information.pdf	242.07 kB	14/04/2017
Practical information.pdf	242.07 kB	14/04/2017
Practical information.pdf	242.07 kB	14/04/2017
Practical information.pdf	242.07 kB	14/04/2017
Practical information.pdf	242.07 kB	14/04/2017
Project Summary_PGI04933_WEB-INAR.pdf	119.46 kB	14/04/2017

Partner Contact Detail ⓘ

[Please select ▾] [+ Partner Contact Detail]

Partner	Version	Status	Last Change
LP	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 2	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 3	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 4	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:58

Policy Instrument Progress ⓘ

[Open policy instrument report]

No policy instrument reports found

Partner Reports ⓘ

[+ Partner Report]

Partner	Reporting period(s) Including report	Status	Last change
LP	1 not included	Submitted to FLC	a.niechajowicz@interregeurope.eu 03/05/2017 14:11

Partner Report Consolidation

No partner report consolidations found

Project Users

[Application Form (Version 1) ▾] [User Administration]

Number	Organisation (English)	Email	Status
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	l.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active

Project History

Project contact details

Project History

Title	Version	Status	Last Updated
Application Form	1	Submitted 14/04/2017 16:00 k.ecke@interregeurope.eu	k.ecke@interregeurope.eu 14/04/2017 16:00:55

Document Center

Download | Change Filter

	Name	Size	Changed on
☐	Application Form_PGI04933_WEB-INAR.pdf	486.48 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Project Summary_PGI04933_WEB-INAR.pdf	119.46 kB	14/04/2017

The **only** place where you edit the contact details

Partner Contact Detail ⓘ

Please select ▾ | ➕ Partner Contact Detail

Partner	Version	Status	Last Change
LP	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 2	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 3	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 4	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:58

Policy Instrument Progress ⓘ

Open policy instrument report

No policy instrument reports found

Partner Reports ⓘ

➕ Partner Report

Partner	Reporting period(s) Including report	Status	Last change
LP	1 not included	Submitted to FLC	a.nlechajowicz@interregeurope.eu 03/05/2017 14:11

Partner Report Consolidation

No partner report consolidations found

Project Users

Application Form (Version 1) ▾ | 👥 User Administration

Number	Organisation (English)	Email	Status
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	l.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active

Partner contact details

- The **only** place where contact details are edited
- Contact details can be changed by PPs & LP

Updating partner contact details

Partner reports

Project History

Title	Version	Status	Last Updated
Application Form	1	Submitted 14/04/2017 16:00 k.ecke@interregeurope.eu	k.ecke@interregeurope.eu 14/04/2017 16:00:55

Document Center
Download   **Change Filter**

	Name	Size	Changed on
☐	Application Form_PGI04933_WEB-INAR.pdf	486.48 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Project Summary_PGI04933_WEB-INAR.pdf	119.46 kB	14/04/2017

Partner Contact Detail ⓘ
Please select ▾   **+ Partner Contact Detail**

Partner	Version	Status	Last Change
LP	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 2	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 3	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 4	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:58

Policy Instrument Progress ⓘ
Open policy instrument report

> No policy instrument reports found

Partner Reports ⓘ
+ Partner Report

Partner	Reporting period(s) Including report	Status	Last change
LP	1 not included	Submitted to FLC	a.niechajowicz@interregeurope.eu 03/05/2017 14:11

Partner Report Consolidation

> No partner report consolidations found

Project Users
Application Form (Version 1) ▾   **User Administration**

Number	Organisation (English)	Email	Status
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	l.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active

All your partner reports are visible here

Partner reports

- Each partner can see only their own reports
- LP notified by email when a partner submits report to FLC

Partner Reports ⓘ   ✚ Partner Report

Partner	Reporting period(s) Including report	Status	Last change
LP	1 not included	Submitted to FLC	a.niechajowicz@interregeurope.eu 03/05/2017 14:11

Project users

Project History

Title	Version	Status	Last Updated
Application Form	1	Submitted 14/04/2017 16:00 k.ecke@interregeurope.eu	k.ecke@interregeurope.eu 14/04/2017 16:00:55

Document Center

[Download] [Change Filter]

	Name	Size	Changed on
☐	Application Form_PGI04933_WEB-INAR.pdf	486.48 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Practical information.pdf	242.07 kB	14/04/2017
☐	Project Summary_PGI04933_WEB-INAR.pdf	119.46 kB	14/04/2017

Partner Contact Detail

[Please select ▼] [+ Partner Contact Detail]

Partner	Version	Status	Last Change
LP	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 2	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 3	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:57
PP 4	1	Valid	k.ecke@interregeurope.eu 14/04/2017 15:58

Policy Instrument Progress

[Open policy instrument report]

No policy instrument reports found

Partner Reports

[+ Partner Report]

Partner	Reporting period(s) including report	Status	Last change
LP	1 not included	Submitted to FLC	a.nlechajowicz@interregeurope.eu 03/05/2017 14:11

Partner Report Consolidation

No partner report consolidations found

Project Users

[Application Form (Version 1) ▼] [User Administration]

Number	Organisation (English)	Email	Status
LP	Partner A	k.ecke@interregeurope.eu	Active
LP	Partner A	l.piazza@interregeurope.eu	Active
LP	Partner A	p.polaskova@interregeurope.eu	Active
LP	Partner A	test@lp.eu	Active

Only the LP can add new users to the project

49

Project users

- All partners can see all users (no FLCs listed here)
- Only the LP can add or remove users

PARTNER REPORT

Summary

Indicate the correct reporting period – impossible to change it later on

Activities summary

- Information for FLC
- It can be filled in Spanish

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditure	✔ External expertise and services	✔ Equipment

💾 Save   ⊘ Check   Reporting period 1 ⌄ Version 1 (Submitted to FLC) ⌄

Activities Summary

Please briefly describe the activities that have taken place in this reporting period

- Participation in 2 project meetings: 1 in Norway for the interregional workshop and site visit, 3 day round trip with the staff members ECKE, PIAZZA, NIECHAJOWICZ and stakeholders SMITH & MITCHEL, 1 steering group meeting in Brussels, participating staff member PIAZZA
- Continued work on the action plan development, update of the baseline study (included in supporting documents): several intermediate meetings with external service provider
- Production of the programme poster, put in the foyer of the department (visible to the general public, see picture included in supporting documents)
- 1 stakeholder group meeting: a total of 15 participants (see participants list included in supporting documents)
- Preparation of upcoming interregional workshop at the beginning of semester 2, at LP premises (agenda, public procurement for catering & transport etc., included in supporting documents)

901 / 2,000 characters

Contact details

- Select the current version of contact details
- New version of contact details can be created in the dashboard from the 'Partner contact details' section

List of contracts

- Listing **all** contracts used for the implementation of the project (above & below EU thresholds)
- Listed contracts will reappear in next partner reports automatically

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditure	✔ External expertise and services	✔ Equipment

💾 Save   ⊘ Check   Reporting period 1 ▽   Version 1 (Submitted to FLC) ▽

3. List of contracts

Contract number	Supplier name	Contracted amount (excluding VAT)	Contracted amount (including VAT)	Above EU threshold	Procedure applied	Contract type	Partner comments	FLC comments
P01-01	Coordination AT	120,000.00	144,000.00	☐	Open procedure	Services	No payments yet, contract set up only in second half of this reporting period	

Expenditure

Example budget line (1/3)

- Link the T&A, external expertise and equipment expenditure with contracts listed in the list of contracts
- Link the external expertise and equipment expenditure with the relevant item planned in AF, section E.2

4. List of Expenditure - External expertise and services

N°	Budget line	Contract number	Item number as planned in the application form	Description in application form	Type of cost	Employee/supplier
1	External expertise and services	P01-03	N/A		Publication and dissemination costs (unplanned)	Printing Pro
2	External expertise and services	N/A	4	av. 2 stakeholders participating in 4 interregional events & 1 final event	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Smith
3	External expertise and services	N/A	4	av. 2 stakeholders participating in 4 interregional events & 1 final event	Travel & accommodation costs: members of the stakeholder groups and other external bodies	Mitchell

Expenditure

Example budget line (2/3)

- Exchange rate automatically calculated by the system (= exchange rate valid on the date of submission to the FLC)

Description	Document reference number	Date of invoice/document	Date of payment	Currency	Exchange rate	Gross amount declared (including VAT)
Printing project poster	4582 - DG	06/02/2018	09/02/2016	EUR	1.0000	56.00
Stakeholder participating in the interregional workshop & site visit in Norway	4689 - EX	17/05/2018	22/05/2018	EUR	1.0000	850.00
Stakeholder participating in the interregional workshop & site visit in Norway	4692 - EX	18/05/2018	21/05/2018	EUR	1.0000	850.00

Expenditure

Example budget line (3/3)

- In the certified report, the "Total amount certified by FLC" will be visible

Check if VAT recoverable	VAT amount if recoverable	Total amound declared (including VAT if not recoverable)	Total amount declared in EUR	Total amount certified by FLC	In case of FLC correction, error related to
✔	9.00	47.00	47.00	0.00	
☐	0.00	850.00	850.00	0.00	
☐	0.00	850.00	850.00	0.00	

External expertise and services

- Individual items from the List of expenditure, listed in the External expertise budget line, are here merged into **one item per indicated AF item.** Same for equipment.

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditure	**✔ External expertise and services**	✔ Equipment

💾 Save	⊘ Check		Reporting period 1	⌄	Version 1 (Submitted to FLC)	⌄
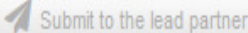
5. External expertise and services

	Item number as planned in the application form	Type of cost	Description in the application	Planned amount	Supplier(s)	Description ℹ	Total amount in EUR	Reported so far ℹ
1	4	Travel & accommodation costs: members of the stakeholder groups and other external bodies	av. 2 stakeholders participating in 4 interregional events & 1 final event	10,000.00	Smith, Mitchell	Smith & Mitchel participated in their capacity as stakeholder group members, having a particular experience in the good practice presented during the workshop and site visit in	1,700.00	1,700.00
2	N/A	Publication and dissemination costs (unplanned)		0.00	Printing Pro	Production of project poster	47.00	47.00

Planned amount exceeded or unplanned expenditure reported. Please provide justification.

Unfortunately, no resources were available to provide the poster internally as originally planned (long term sick leave, no replacement). Therefore an external provider had to be hired.

59

Submit partner report

Help 😉

- Info bubbles

- Check button

- Error messages

    • Exchange rates need to be refreshed.

- Video tutorials:

https://www.interregeurope.eu/projects/guidance/#reporting
https://www.interregeurope.eu/projects/guidance/#flc-guidance

FLC DASHBOARD

Log in

To access your projects

To update contact details:
+ New Version and
+ Submit

My projects

List of projects the FLC is assigned to

Click on a row to access the project

Project dashboard for FLCs

Project History

Title	Version	Status	Last Updated
Monitoring Committee decision		Approved 09/02/2016	JS 18/04/2016 12:19:29
Progress report 2	1	Ready for submission	ranko.simic@lansstyrelsen.se 09/06/2017 10:46:33
Application Form	6	Submitted 02/03/2017 09:45 emina.radetinac@lansstyrelsen.se	emina.radetinac@lansstyrelsen.se 02/03/2017 09:45:57
Progress report 1 clarifications		Open	emina.radetinac@lansstyrelsen.se 24/03/2017 14:04:23
Progress report 1	3	Ready for submission	emina.radetinac@lansstyrelsen.se 24/03/2017 14:01:16

FLC Contact Detail   test@spain.flc   ➕ FLC Contact Detail

FLC Name	Version	Status	Last Change
a	1	Last submitted	test@spain.flc 04/04/2017 15:47

FLC Checks

Partner	Reporting period(s) Including report	Status	Last change
PP 4	2 not included	Control work started	test@spain.flc 08/06/2017 18:53

All reports of the partner that have been submitted to the FLC will be visible here

PARTNER REPORT – FLC VIEW

Partner report – FLC view

Activities summary

| Summary | ✔ **Activities summary** | ✔ Contact details | ✔ List of contracts | ✔ |

Activities Summary

Please briefly describe the activities that have taken place in this reporting period

a

Contact details

List of contracts

3. List of contracts

Contract number	Supplier name	Contracted amount (excluding VAT)	Contracted amount (including VAT)	Above EU threshold	Procedure applied	Contract type	Partner comments	FLC comments
P04-02	Big contract	250,000.00	300,000.00	✓	Open procedure	Services		
P04-03	Small contract	15,000.00	18,000.00	☐	Request for several offers	Services		

List of expenditure

FLC checklist

Downloadable

Summary ✔ Activities summary ✔ Contact details ✔ List of contracts ✔ Expenditure ✔ **FLC checklist** ✔ FLC report

💾 Save | ✓ Check | 📄 FLC Checklist

2 General checks

	Control question	Answer	Comments/Follow-up
2.1	Is it ensured that the partner is a "not for-profit" body?	⦿ Yes ○ No	
2.2	If the partner contribution does not come from the partner's own resources but from an external public source, has the total public contribution not been exceeded? *If the partner contribution comes from the partner's own resources or entirely from private sources, please tick 'N/A'.*	⦿ Yes ○ No ○ N/A	
2.3	Has the source of the partner's contribution (private or public) been correctly indicated?	⦿ Yes ○ No	
2.4	Is it ensured that the expenditure has not already been reimbursed by any other funding (EU, regional, local or other)? Are there mechanisms in place to avoid double-financing?	⦿ Yes ○ No	

If No or N/A selected – comment obligatory

72

FLC report

Downloadable

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditure	✔ FLC checklist	✔ FLC report

💾 Save   ⊘ Check for errors   ⬆ Back to list   📄 FLC report   📄 FLC certificate   📄 Report on fraud

First level control report ℹ

1. Project and progress report

Project Title	Supporting eco-innovations towards international markets
Project Acronym	SUPER

Project Index PGI00014

Progress Report	No.

Reporting Period	**Start**	01/10/2016	**End**	31/03/2017

2. Project partner

Number	4
Organisation	Murcia Business Innovation Centre (BIC Murcia)

Certify report – step 1

Click "Certify report"

Certify report – step 2

Click the link received in the email

Dear Sven Controller,

Please confirm that you certified the partner report of [Partner name] [Project acronym] in reporting period(s) 2.

To do so, follow the link below:
http://iolf.interreg.gecko.de/FLCC/Summary/ConfirmCertify/4821/12992/137/a0f76d35-ab94-4062-9b57-d15cef953007

Kind regards,
Interreg Europe

This is an automatic email - please do not reply.

Help 😉

- Info bubbles

- Check button

- Error messages

  • Exchange rates need to be refreshed.

- Video tutorials:

https://www.interregeurope.eu/projects/guidance/#reporting
https://www.interregeurope.eu/projects/guidance/#flc-guidance

JOINT PROGRESS REPORT

Partner report consolidation

Partner report consolidation

- LP can see all reports submitted by PPs after certification
- All editing of partner reports is done in this section

Partner Report Consolidation

Partner	Reporting period(s) Including report	Status	Last change
PP 3	2 / 2	Included in joint report	24/05/2017 09:52
PP 4	2 / not included	Ready for inclusion	24/05/2017 09:57

Partner report consolidation

What can the LP do in the partner report consolidation module?

1. Minor changes = the amount does not change

2. Reject = sends report back to partner ➡ new certification

3. Set ready for inclusion = blocks for editing before including in PR

Summary	✔ Activities summary	✔ Contact details	✔ List of contracts	✔ Expenditures	✔ External expertise and services	✔ Equipment

📂 Open for minor changes ↻ Reject 🔒 Set ready for inclusion in progress report

Reporting period 2 ⌄
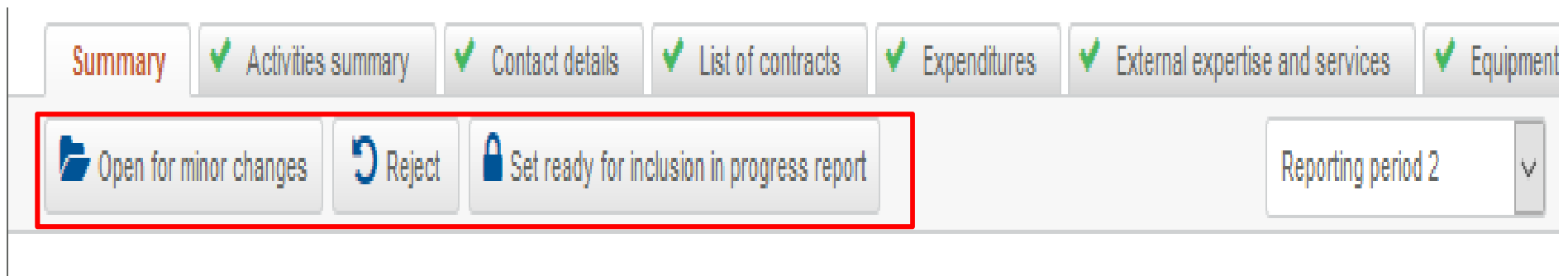
Partner report consolidation

- Minor changes = **the amount does not change**, for instance: wrong budget line (except staff), incomplete item description, justification not sufficient, old contact details...

LP can correct the budget line, as long as it doesn't have impact on the amount certified by the FLC

Partner report consolidation

- Prepare description of EE and equipment items for the joint PR

Joint PR – Partner reports

- List of partner reports
- Include = partner report data transferred to the joint PR
- Exclude = partner report data taken out from the joint PR
- Notifications sent to partner each time

| Status | Partner Reports | ! 1. Implementation overview | ! 1.3 Activities | ! 2. Results/Policy instruments | ! 3. Finance | ✔ Annexes | ! Contact details | LP declaration |

💾 Save

Partner Reports

| Project partner | Please Select ⌄ | Min report number | Please Select ⌄ | Max report number | 2 ⌄ | Show editable only ✔ | | 🔍 Search |

Partner number	Partner name	Report number	Reporting period(s)	Status	Date of submission	Included in progress report no	Total partner expenditure	Include/Exclude
PP 3	University of Patras	2	2	Included in joint report		2	0.00	☑
PP 4	ASSOCIATION OF MUNICIPALITIES OF THE RIBERA ALTA REGION	2	2	Ready for inclusion	24/05/2017		18750.00	☐

Conclusions looking at PARTNER REPORTS & PR1

Online in the iOLF: all reporting

Offline: Sending of supporting documents (invoice, payment proofs, procurement documents) to FLC

Time for questions…

3. ELIGIBILITY RULES

General principles

Different levels of rules

- European: EU regulations
- Programme
- National
- Partner/institutional

General principles

Eligibility of costs is determined by the <u>relevance of the activities!</u>

Costs necessary to

- Carry out the project activities
- Achieve the project objectives

General principles

CONSISTENT

- allocate the expenditure to the right budget line

JUSTIFIED

- unforeseen expenditure items or over/underspend needs to be justified

COHERENT

- reported activities and finances have to match

Eligibility period

Eligibility period from **5/10/2016** (approval by monitoring committee) to **project end date**

Submission date of last report = project end date = end date of eligibility of costs

Expenditure can be reported only if paid before the end of the reporting period → Paid = debited from partner's institution bank account

Preparation costs

lump sum of EUR 15,000 per project attributed to **the lead partner**

- Covers costs linked to the **preparation of the application**

- Added only to the reported lead partner's expenditure in PR1

- Distribution among partners **regulated internally by project partnership agreement** – only lead partner reports to the programme!

- No supporting evidence required!

Budget lines

- Staff
- Administration costs
- Travel and accommodation
- Equipment

- External expertise and services

Only for staff directly employed by the partner organisations

Staff costs (principles)

- For partner staff only (employment contract)

- Not for staff employed by other bodies even if

    - 100% owned by partner

    - seconded to partner

    - they are members (of association, umbrella organisation)

    - if seated in partner organisation

Programme manual section 7.2.1 & Delegated Regulation (EU) 481/2014, Article 3

Staff costs (calculation)

What does your contract say?

A. full-time on project?

> Real cost charged

B. fixed % on project?

> % of real cost charged

Contract

C. flexible hours on project?

> C.1 - monthly salary / contractual hours or

> C.2 - annual salary / 1,720 hours

D. hours + hourly rate fixed in contract?

A. + B. Full-time / fixed %

- Calculation:

    Employment cost * %

- Points of attention:
    - ✓ Regular review (e.g. annual staff appraisal)
    - ✓ % adjusted if necessary

A. + B. Full-time / fixed %

- Supporting documents:

Mission letter

Contract

Proof of payment

Time registration

Payslip

C. 1 Flexible hours - monthly calculation

- Calculation:
  - ✓ hourly rate: **Monthly gross employment costs / nb of hours per month per employment contract**
  - ✓ attention to holiday allocation
  - ✓ record 100% working time
  - ✓ timesheet example on website

Recalculation potentially each month !

C.2 Flexible hours - 1720h method

- Calculation:
  - ✓ latest annual employment cost / 1720h
  - ✓ Example timesheet on website (http://www.interregeurope.eu/about-us/programmedocuments/)

Regular updates necessary? Potentially one time calculation hourly rate!

C. Flexible hours

- <u>Supporting documents</u>

Contract

100% Time registration

Payslip

Proof of payment
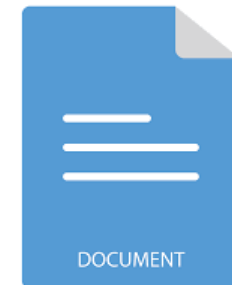
Document showing calculation of hourly rate

Administration costs

- Flat rate of 15% of staff costs

- Includes: office rent, utilities, office supplies, general accounting etc.

- No administration costs under any other budget line

- No supporting evidence required!

Programme manual section 7.2.2 & Delegated Regulation (EU) 481/2014, Article 5

Travel and accommodation

- Only for staff employed by a project partner

- Non-staff travel costs: external expertise budget line!

- Includes items such as travel, meals, accommodation, visa, daily allowances

- Compliance with national and/or institutional rules
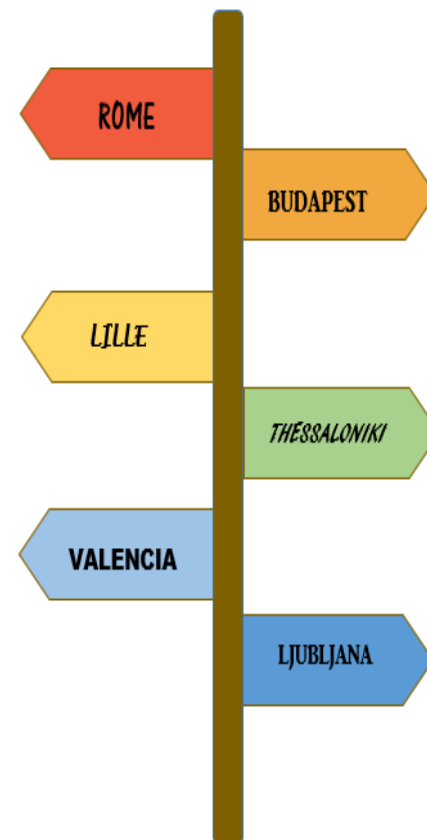
Programme manual section 7.2.3 & Delegated Regulation (EU) 481/2014, Article 6

ROME
BUDAPEST
LILLE
THESSALONIKI
VALENCIA
LJUBLJANA

External expertise

- Services needed outside the partner organisation, incl. travel & accommodation for stakeholder groups

- Public procurement!

Programme manual section 7.2.4 & Delegated Regulation (EU) 481/2014, Article 6

Equipment

- Purchased, rented or leased by a partner, to achieve the objectives of the project

- Mainly 'office equipment' for project management, not exceeding EUR 5,000-7,000 per project

- Only planned/pre-approved equipment eligible!

- Compliance with public procurement rules

Programme manual section 7.2.5 & Delegated Regulation (EU) 481/2014, Article 7

Not eligible costs

- VAT – if recoverable by whatever means

- In-kind contributions

- Fines, financial penalties, expenditure on legal disputes and litigation, exchange rate fluctuation and interests on debt,

- Expenditure already supported by other subsidies

- Gadgets and gifts

Gifts and promotional items

Gifts and promotional items (gadgets) are **not eligible** unless

- approved **ex-ante** by the programme (application form & during project implementation)

- needed for a **specific communication activity** (EU logo/project logo does not automatically make a gift a promotional material)

Programme manual sections 7.4.9 and 8.2.1 & Delegated Regulation (EU) 481/2014, Article 2

Gifts and promotional items

BAD
- Bottle of wine
- Souvenirs
- Book voucher
- Box of chocolate

Gifts

Promotion & communication material

GOOD
- Project banner
- Good practice guide

BAD, unless **pre-approved by programme! e.g.**
- USB sticks
- Pens
- Notebooks
- Bags
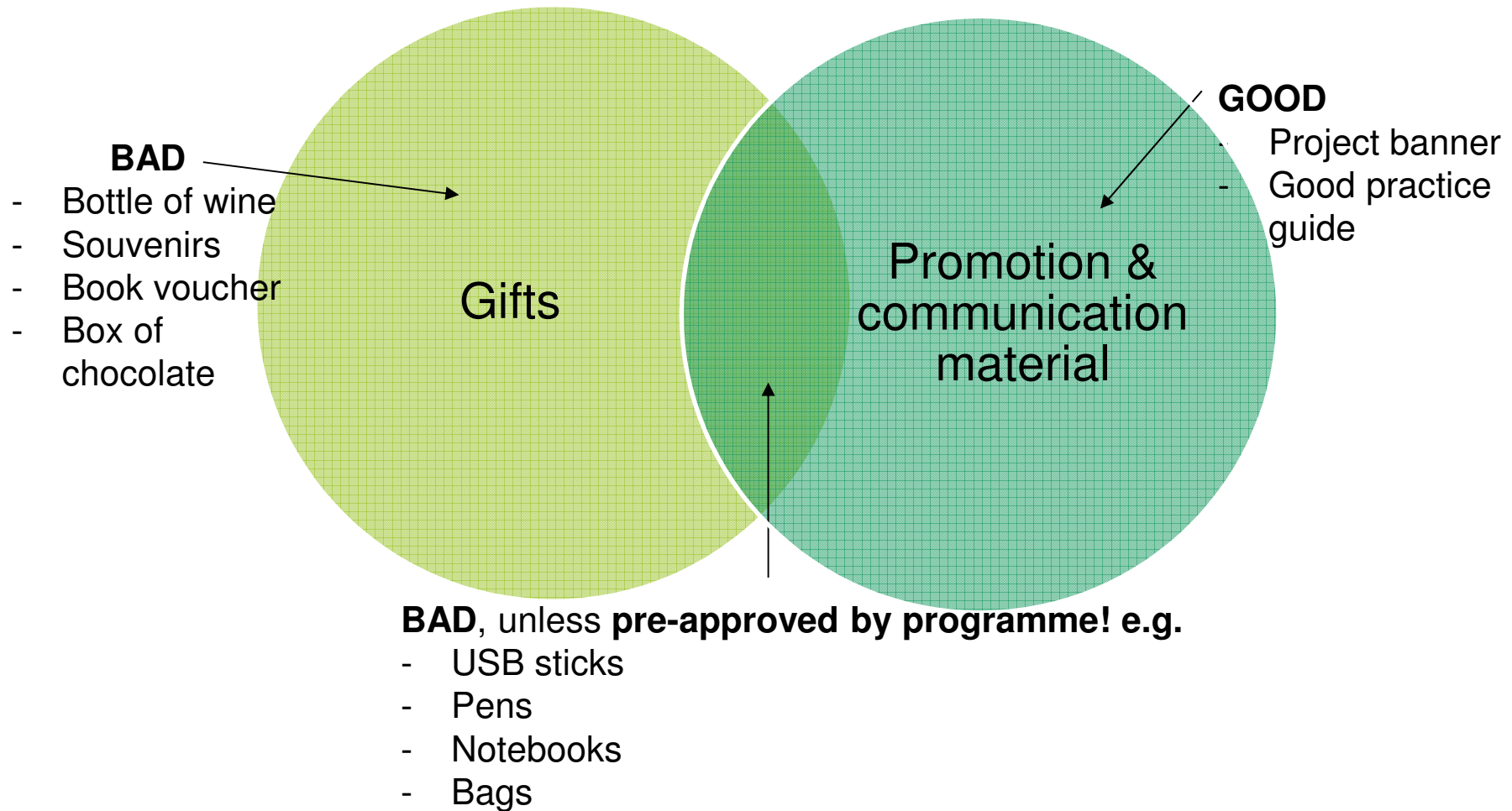
Items requiring pre-approval

Prior approval from JS necessary for items not already specified and approved in the application form, e.g.

- Activities/travel outside the programme area

Items requiring pre-approval

- Equipment if not planned at application stage

4. POINTS OF ATTENTION

Points of attention

- Financing of joint activities

- Public procurement

- Financial corrections

- Fraud detection and reporting

- Quality checks/ audits

- Lessons learnt

Financing of joint activities

No shared costs!

Contracting partner principle applies

Contracting partner = the only one reporting and receiving the ERDF!

Share activities, not costs!

Public procurement

- Public procurement applicable rules*
  - the EU public procurement directives (Directive 2014/24/EU)
  - national rules
  - internal rules of the partner organization

- No programme-specific rules
  - Section 7.4.6 Public procurement of the programme manual
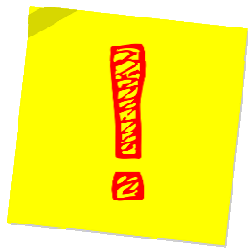
* The strictest rules must always be applied

in case of doubts, check with your procurement department

Public procurement

- The private non-profit bodies
  - should respect national rules and internal partner rules (if they exist),
  - should be able to demonstrate good use of public funds,
  - in some countries need to comply with national public procurement rules.

If not sure, contact your national point of contact!

Procurement and reporting

- List of contracts to be filled in by each partner (contracts below and above EU threshold)
  - list of contracts in the partner report

- List of contracts subject to EU procurement directives (only above EU threshold)
  - list of contracts in the joint PR (contracts automatically transferred from the partner reports)

Procurement and reporting

- FLC checks compliance with public procurement rules

  Documented in section 5 of the first level control report incl. checklist

Common procurement findings

- Inadequate procedure chosen (e.g. direct award of contract not justified)
- Insufficient publicity
- Value of the contract not estimated at institutional level
- Splitting the contracts to fit below thresholds
- Insufficient audit trail (e.g. missing documents)

Direct award of contract

- Common non-justified reasons:

  "urgency"

  "the only one"

  "more economic – no cost for training new person"

  "good value (based on old comparison)"

- Direct award for these reasons is rarely justified
- Objective reasons needed (the market should prove)

Financial corrections

- Correction of an irregularity included in a previous progress report paid by the programme

  detected following:

  - FLC checks (e.g. on-the-spot check)
  - National checks
  - Second level audits
  - EC/ECA audits
  - CA quality checks

Financial corrections

- Documented in a financial correction sheet

- Context of the corrections to be selected in the pre-defined list (e.g. following second level audit, on-the-spot check, national check, etc.)

- Correction done in the expenditure list ^{AN11}

AN11   What is meant by that?
Aleksandra Niechajowicz; 09/06/2017

Definition of fraud

Fraud ≠ **Irregularity**

Intentional error /bad management

Consequences:

correction correction

investigation & sanctions

Fraud detection and reporting

Anti-fraud strategy

- **Regulatory requirement for MAs to**
  "put in place **effective and proportionate anti-fraud measures** taking into account the **risks identified**"
  (Article 125(4)(c) of Regulation (EU) No 1303/2013)

- implemented notably through:
  - information of project and FLC on the main risks identified
  - recommendations included in the programme manual
  - FLC checklist taking into account risks identified
  - procedures for the reporting of suspected fraud

Fraud risks identified

Main risks identified for Interreg Europe programme:

- **Staff costs** reported do not correspond to the reality

- **Public procurement** (conflict of interests, favouritism, corruption)

- **Double financing**

Fraud prevention and detection

To prevent and detect fraud, partners should:

- be aware of the potential risks of fraud

- have internal procedures in place to prevent and detect fraud

See revised programme manual

- general info in section 7.8

- recommendations for public procurement in section 7.4.6

Fraud prevention and detection

To prevent and detect fraud, FLC should:

- be aware of the potential risks of fraud

- check the beneficiaries' reports and supporting documents with "<u>appropriate skepticism</u>" (in particular when checking staff costs and public procurement)

Reporting suspected or established fraud
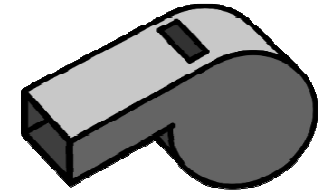
How can the MA/JS be informed ?

- whistleblowing procedure for general public/beneficiaries (dedicated email)

https://www.interregeurope.eu/about-us/anti-fraud-policy/

- specific reporting template for FLC – Annex 4 of the programme manual

Quality checks/audits

Several bodies to carry out quality checks/audits

- To detect errors and ensure proper use of funds

Second Level Auditors

Time for questions…

To conclude…

Don't be scared! ➡️ Be prepared!

Video tutorials

Finances
- Partner report: 13 video tutorials + 1 webinar recording
- FLC section: 8 video tutorials + 1 webinar recording

Activities
- Reporting activities in joint PR: 4 video tutorials

https://www.interregeurope.eu/projects/implement-a-project/

Contact your LP in case of questions, the LP will contact the responsible policy and finance officers at the JS

What's next?

Online Q&A sessions on reporting for all project partners information on our website

Interreg Europe

European Union | European Regional Development Fund

Thank you!