



# Guidance – How to use the FLC report

In this guidance you will find all of the necessary information related to the FLC verification of beneficiary report making use of the Online Monitoring System. The guidance is twofold as the first part addresses how the FLC access a beneficiary report and the associated FLC report. The Second part of the guidance is directly handling how to make use of the FLC report and how it should be operated.

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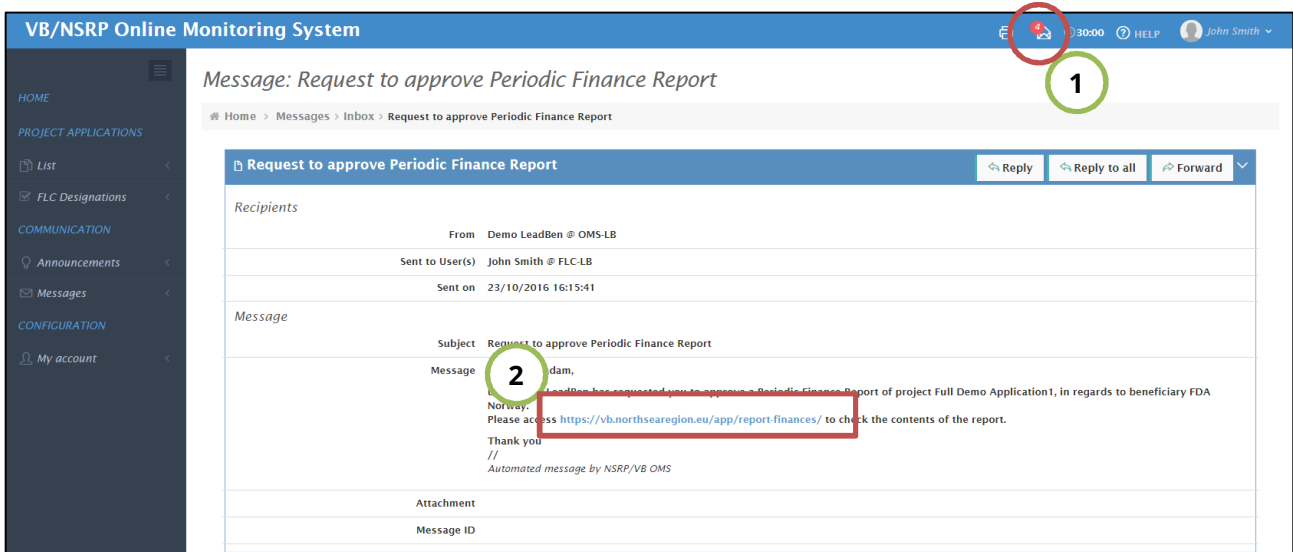
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## 1. How to access the FLC report

When a beneficiary has marked a finance report as complete the associated First Level Controller (FLC) is automatically notified via a system notification and a regular e-mail reminder.

The message sent in the system includes a direct link to the overview of periodic reports relevant for the individual FLC (see point 2 on the illustration below).



Making use of the link inserted in the message received will take the FLC to an overview similar to the one presented on the illustration below. From the overview the FLC can view the status of the individual report for the specific beneficiaries, and when the report has been "locked" this is indicating that the beneficiary has marked the report as complete and FLC verification is needed.

*Periodic Reporting: Finances*

Home > Periodic Reporting > Finances Reports

Project	Round	Number / Level / Beneficiary	Locked	FLC Approved	AS Signed	Submitted
FDA!	AA1, March 2016	#1 Project	No	No	No	No
FDA!	AA1, March 2016	#1 Beneficiary: FDA1 Denmark LB	No	No	No	No
 FDA!	AA1, March 2016	#1 Beneficiary: FDA7-10 Germany Munich	Yes	No	No	No
 FDA!	AA1, March 2016	#1 Beneficiary: FDA4 German Coordinating	No	No	No	No
 FDA!	AA1, March 2016	#1 Beneficiary: FDA6 Norway	Yes	No	No	No

Entering a report from the overview mentioned above takes the FLC directly to a view version of the report on finances prepared by the beneficiary.

The next step (point 4 on the illustration below) is to edit the FLC report. The FLC report needs to be completed before the beneficiary report on finances can be approved (point 5 on the illustration below). In order to see how the FLC report is operated please see section 2 of this document (below).



Periodic Reporting: Finances Reports  
FDA! / AA1, March 2016, Beneficiary Finances Report for FDA7-10 Germany Munich

Home > Periodic Reporting > Finances Reports > FDA! / AA1, March 2016, Beneficiary Finances Report for FDA7-10 Germany Munich

Workflow: Report completed and locked:  Yes FLC approval:  No Submitted to LB:  No

Main details | Investments | Equipment | Expenditures | Outside prog. area | Funding | Annexes | Submission

Project	FDA!
Reporting Round	AA1, March 2016
Reporting level	Beneficiary
Beneficiary	FDA7-10 Germany Munich
Report Number	1
Project start date	04/03/2015
Project end date	29/04/2018
Reporting period start	--
Reporting period end	--

Report contact persons

- Coordinating Beneficiary Authorised Signatory: George German @ AS-local-Ben
- Beneficiary Managing User: Nick CoBen @ OMS-CO-Ben-1
- Coordinating Beneficiary Managing User: Peter Coordinating @ OMS-local-Ben
- Coordinating Beneficiary First Level Contoller: John Smith @ FLC-LB
- Lead Beneficiary/Managing User: Demo LeadBen @ OMS-LB

4 Edit FLC Report

5 Approve Finances Report

When approving the finance report the FLC is asked to confirm the approval (see the illustration below). At the page where the confirmation of the approval is done a summarized version of the FLC report is shown (this is mentioned as the FLC certificate). If everything in the certificate is acceptable and coherent the FLC proceed with the approval (point 6 on the illustration below), otherwise the approval is cancelled.



① **CONFIRMATION**

*Approve Finances Report*

You are signing and approving this report and its contents. Please review the FLC Certificate before proceeding



**Interreg**   
North Sea Region  
European Regional Development Fund

FDA! / AA1, March 2016, FLC Certificate for FDA7-10 Germany Munich

Project and progress report

Project	FDA!
Project Acronym	FDA!
Project Number	13331
Approved implementation period	04/03/2015 - 29/04/2018
Finance Report Number	1
Name of Lead Beneficiary	FDA1 Denmark LB

The following users will be notified:

- Coordinating Beneficiary Authorised Signatory: George German @ AS-local-Ben
- Beneficiary Managing User: Nick CoBen @ OMS-CO-Ben-1
- Coordinating Beneficiary Managing User: Peter Coordinating @ OMS-local-Ben
- Lead Beneficiary/Managing User: Demo LeadBen @ OMS-LB

**Proceed**

**Cancel**

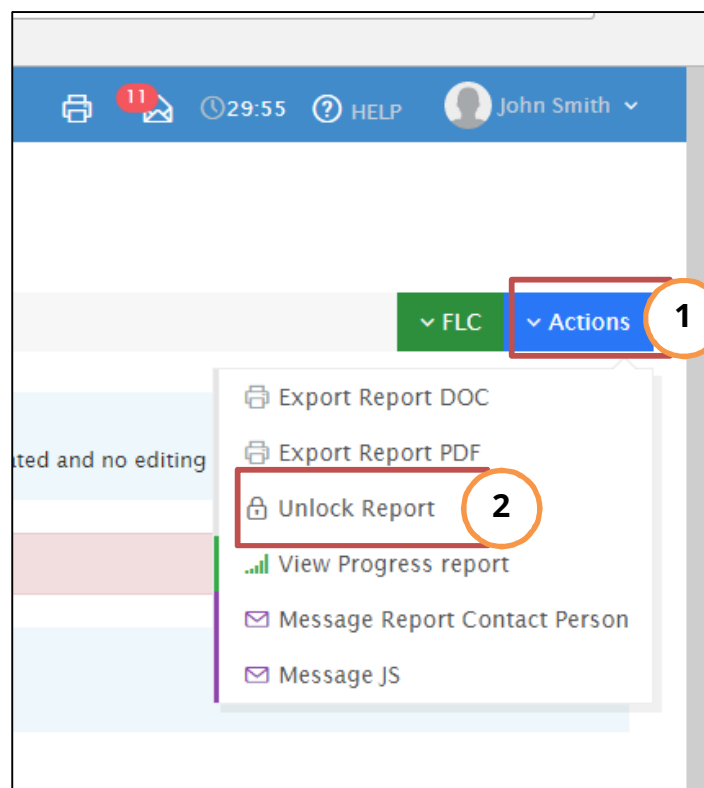
**6**



## 1.1 - How to unlock the finance report

If the FLC find it relevant the finance report completed by the beneficiary can be unlocked – unlocking the report allows the beneficiary to edit the content entered and removing/updating the supporting list of expenditure (annexes).

In order to unlock the finance report go to the "Actions" (1) menu in the top right corner of the interface. In this menu you will find the option to "Unlock Report" (2) - click on it.





The system will now ask you to confirm the unlocking of the finance report – this by applying the option to "Proceed" (3).

Periodic Reporting: Finances Reports  
FDA! / #1, Beneficiary Finances Report for FDA!

Home > Periodic Reporting > Finances Reports > FDA! / #1, Beneficiary Finances

**CONFIRMATION**

Unlock form  
You are unlocking this report and allowing the creator to edit it again.

The following users will be notified:

- Beneficiary Managing User: Demo LeadBen @ OMS-LB
- Lead Beneficiary/Managing User: Demo LeadBen @ OMS-LB

**3** Proceed Cancel

The report is now once again editable by the beneficiary.



## 2. Operating the FLC report

The following section briefly highlights the various sections of the FLC report and provides the basis for a common understanding on how the FLC report should be operated.

### 2.1 Verification

In the first part of the FLC report the FLC is asked to define the general methodology for how the verification of the reported expenditure was done. If 'on-the-spot' methodology was applied the FLC is asked to provide clarifying information in terms of when the check was carried out, where it was carried out, and what was the main focus of the on-the-spot check.

If sampling was applied further description of the methodology for this has to be provided. Finally this section asks for general information on when the control work was initiated and when it was concluded. The illustration below reflects the text above.

**Verification**

General methodology \*  Desk-based  
 On-the-spot  
 Other  
2 are checked, select up to 2

(if 'other') Please describe \*   
Method used for the verification

(if on-the-spot) Start date of on-the-spot verification

(if on-the-spot) End date of on-the-spot verification

(if on-the-spot) Location of on-the-spot verification  Premises of project beneficiary  Project event/meeting  Place of physical project output

(if on-the-spot) Focus of on-the-spot verification   
e.g. accounting system, cost items, investments, etc.

Sampling was applied \*  No  Yes

(if yes) Sampling method used 

**B** *I*

Type something

Briefly describe sampling methodology and indicate where a detailed description can be found. Include additional information on the scope and on the percentage checked.

Start of control work \*

Date(s) of requests for clarifications, if applicable

Date of receipt of satisfactory clarifications, if applicable

End of the control work \*



## 2.2 Expenditure declared and certified by budget line

In the section labeled 'Expenditure declared and certified by budget line' the FLC enters the amounts which can be verified as eligible expenditure.

Underneath each entry field a gray shaded box reflects the amounts reported by the beneficiary for the specific budget line, the difference between the amount entered in the field (certified expenditure) and the reported expenditure, and the certified amount in percentage (see the illustration below). **If the certified amounts differ from the amount reported by the beneficiary for a particular budget line, this should be equal to the amount of ineligible expenditure which was found and deducted by the First Level Controller.**

**OBS: It is important to know that only the amounts entered by the FLC as certified expenditure will be subject to reimbursement. Only the amounts certified by the FLC will be transferred to the finance report on project level.**

Expenditure declared and certified by budget line	
<p>Certified expenditure should equal Declared expenditure unless ineligible expenditure was found during verification which has been deducted. These deductions should be described below in the section entitled Findings, Conclusions and Follow up Measures per budget category.</p>	
Staff costs *	<input type="text" value="5000"/> € (Only integers numbers accepted, no commas or dots.) Declared: 5000 € Difference: 0 € Certified in % to declared: 100 %
Office and administration *	<input type="text" value="750"/> € (Only integers numbers accepted, no commas or dots.) Declared: 750 € Difference: 0 € Certified in % to declared: 100 %
Travel and accommodation *	<input type="text" value="5000"/> € (Only integers numbers accepted, no commas or dots.) Declared: 05000 € Difference: 0 € Certified in % to declared: 100 %
External expertise and services *	<input type="text" value="30000"/> € (Only integers numbers accepted, no commas or dots.) Declared: 30000 € Difference: 0 € Certified in % to declared: 100 %
Equipment *	<input type="text" value="1000"/> € (Only integers numbers accepted, no commas or dots.) Declared: 1000 € Difference: 0 € Certified in % to declared: 100 %
Investments *	<input type="text" value="2000"/> € (Only integers numbers accepted, no commas or dots.) Declared: 2000 € Difference: 0 € Certified in % to declared: 100 %
Total Expenditure *	<input type="text" value="43750"/> € (Only integers numbers accepted, no commas or dots.) Declared: 43750 € Difference: 0 € Certified in % to declared: 100 %
(Net revenue) *	<input type="text" value="0"/> € (Only integers numbers accepted, no commas or dots.) Declared: 0 € Difference: 0 € Certified in % to declared: - %
Total Eligible Expenditure *	<input type="text" value="43750"/> € (Only integers numbers accepted, no commas or dots.) Declared: 43750 € Difference: 0 € Certified in % to declared: 100 %





### 2.3 Funding

The funding sources of the reported expenditure have already initially been defined by the individual beneficiary in the finance report. Only in the event of reduced amounts certified in the previous section should the split in funding sources be different from the one defined by the beneficiary.

In all cases the programme co-financing cannot exceed 50% of the certified expenditure, and must at the same time not exceed the approved grant for the specific beneficiary (see approved budget in the most recent issued contract). Any amount of reported expenditure exceeding the approved grant must be included in the beneficiaries' public or private contribution.

The Online Monitoring System also supports the work of the FLC when filling in the FLC report by auto-calculating the correct split, and if any deviations occur it defines the field which needs to be adjusted.

The illustration below reflects the text above.

**Funding**

The sum of the certified amounts for *Programme co-financing (e.g. ERDF)* and *Total beneficiary match funding* should equal the certified amount of *Total Eligible Expenditure*. Additionally, *Programme co-financing (e.g. ERDF)* is capped to 50% of the total eligible expenditure as set in the original application.

<b>Programme co-financing (e.g. ERDF) *</b>	<input style="width: 80%;" type="text" value="21875"/>	€ (Only integers numbers accepted, no commas or dots.)
	Declared: 21875 € Difference: 0 € Certified in % to declared: 100 %	
	Maximum ERDF per the original application: 752600€.	
<b>Beneficiary match funding</b>		
<b>Public contribution *</b>	<input style="width: 80%;" type="text" value="10000"/>	€ (Only integers numbers accepted, no commas or dots.)
	Declared: 010000 € Difference: 0 € Certified in % to declared: 100 %	
<b>Private contribution *</b>	<input style="width: 80%;" type="text" value="11875"/>	€ (Only integers numbers accepted, no commas or dots.)
	Declared: 11875 € Difference: 0 € Certified in % to declared: 100 %	
<b>Total beneficiary match funding</b>	<input style="width: 80%;" type="text" value="21875"/>	€ (Only integers numbers accepted, no commas or dots.)
	Declared: 21875 € Difference: 0 € Certified in % to declared: 100 %	
	Total certified Expenditure is 43750€.	
	Total certified funding is 43750€.	
	The two values are equal.	



### 2.4 Expenditure outside the programme area

If any expenditure is reported as incurred outside the programme area, the amount relating to this and certified by the FLC must be indicated in the section labeled 'Expenditure outside the programme area'.

**Expenditure outside the programme area**

Part of the expenditure was incurred outside (the Union part of) the programme area \*  No  Yes

(if yes) How much was certified?  € (Only integers numbers accepted, no commas or dots.)

### 2.5 Findings, Conclusions, Follow-up measures

In the event that an FLC uncovers any findings or observations which has to be brought to the attention of the lead beneficiary and the programme as a second instance this has to be filled-in in the section for 'Findings, Conclusions, Follow-up Measures'.

In short the FLC is asked to briefly explain the finding, weather it is ineligible or questionable and weather is has been removed from reported expenditure. In addition to this the FLC is requested to provide information on any follow-up actions which should be followed-up by the next report.

If the FLC has nothing to report then simply enter 'N/A' in the fields presented on the illustration below.

**Findings, Conclusions, Follow-up Measures**

**Description of findings, observations and limitations \***

**B I** [List icons] [Table icon] [Link icon] [Code icon] [Undo icon] [Redo icon] [Fullscreen icon]

test 4

A description of the types of errors found and a reason why it is an error. Also add a clear specification of additional observations and limitations (if any), expressed about the eligibility of some expenditure.

**Conclusions and recommendations \***

**B I** [List icons] [Table icon] [Link icon] [Code icon] [Undo icon] [Redo icon] [Fullscreen icon]

test 4

The conclusion takes into consideration the above-mentioned observations/reservations. It also describes the measures implemented to solve the errors detected and it eventually provides recommendations to avoid the repetition of the same types of errors in the future.

**Follow-up measures for the next progress report \***

**B I** [List icons] [Table icon] [Link icon] [Code icon] [Undo icon] [Redo icon] [Fullscreen icon]

test 4

Follow-up measures to be implemented in the next progress report should be described in this section.



## 2.6 Detailed breakdown of findings by cost category

If any reported expenditure cannot be certified by the FLC they have initially been deducted from the reported amount in section 2.2. In this section on the detailed breakdown of findings by cost category the FLC is asked to explicitly list the items which have been found ineligible and the associated amount.

**OBS: If the FLC finds that more expenditure than the already reported can be certified, the FLC should seek to unlock the finance report with the aim of allowing the beneficiary to update the financial figures and associated list of expenditure (annex) – please follow the guidance in section 1.A of this document.**

**OBS: Please have in mind that the cost items mentioned here should be directly traceable to the list of expenditure attached to the beneficiary report on finances.**

Detailed breakdown of findings by cost category

Staff Costs *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>
Office and administration *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>
Travel and accommodation *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>
External expertise and services *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>
Equipment *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>
Infrastructure and works *	<div style="background-color: #f0f0f0; padding: 2px; border-bottom: 1px solid #ccc;"> <span>B</span> <span>I</span> <span>¶</span> <span>☰</span> <span>☰</span> <span>🔗</span> <span>📄</span> <span>↺</span> <span>↻</span> <span>&lt;&gt;</span> <span>✎</span> <span>🔗</span> </div> <div style="border-bottom: 1px solid #ccc; padding: 2px;">test</div> <div style="font-size: 8px; padding: 2px;">Description of findings, observations and limitations; Conclusions and recommendations; Follow-up measures for the next progress report.</div>



## 2.7 Attachment

If needed the FLC can attach any form of supporting documentation. The intention has been to facilitate the attachment of signed audit declarations or similar documents which FLC's normally use in order to verify the completion of an audit. The attachment is optional.

**Attachment**    **Upload a file**

   **Der er ikke valgt nogen fil**

**Optional supportive material.**

## 2.8 Finalising the report

In order to finalise the FLC report and when all required fields have been filled in, the FLC can save the report. Subsequent the approval of the finance report is possible.

Purpose of the Control, Responsibilities, Legal Basis and Methodology	<p><b>Purpose of the control report and addressees</b></p> <p>We performed a verification of the above mentioned report. We prepared this independent first level control report in order to provide the project beneficiary with information on the control work carried out by us, the errors detected, the conclusions drawn and the recommendations and follow-up measures identified.</p> <p>This control report refers solely to the beneficiary report identified above and does not constitute a confirmation of the controlled entity's other statements and accounts.</p> <p>This control report is primarily for the attention of the controlled lead beneficiary/project beneficiary.</p> <p>It will furthermore be made available to the managing authority, the joint secretariat of the programme and managing authority, as well as authorised third parties such as the audit authority and the European Commission upon request.</p> <p><b>Responsibility of the Project Beneficiary</b></p> <p>The lead beneficiary / project beneficiary is responsible for the preparation of the beneficiary report in accordance with the reporting provisions outlined in the subsidy contract.</p> <p>The lead beneficiary / project beneficiary is furthermore responsible for executing internal control in order to enable the preparation of beneficiary reports that are free from material misstatement, including those due to fraud or error.</p> <p><b>Responsibility of the Lead Beneficiary</b></p> <p>Responsibilities of the Lead Beneficiary are outlined in Article 13 of Reg. (EU) No 1299/2013.</p> <p><b>Responsibility of the Managing Authority/Joint Secretariat</b></p> <p>MA/JS carry out the functions according to Article 125 of (EU) No 1303/2013 and Article 23 of (EU) No 1299/2013. The MA/JS take the responsibility for monitoring overall project progress.</p> <p><b>Responsibility of First Level Control</b></p> <p>FLC is responsible for verifying expenditure declared in the beneficiary report based on the verifications carried out according to Article 23 of (EU) No 1299/2013.</p> <p><b>Legal basis and guidelines</b></p> <ul style="list-style-type: none"> <li>• Reg. (EU) No 1303/2013 ; Reg. (EU) No 1301/2013; Reg. (EU) No 1299/2013</li> <li>• Commission Delegated Regulations (EU) No 481/2014, (EU) No 480/2014</li> <li>• Guidance document on management verifications to be carried out by Member States on operations co-financed by the Structural Funds, the Cohesion Fund and the EMFF for the 2014-2020 programming period</li> <li>• Cooperation Programme</li> <li>• Programme Manual</li> <li>• Fact Sheets</li> <li>• (national, regional) FLC manual</li> </ul>
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