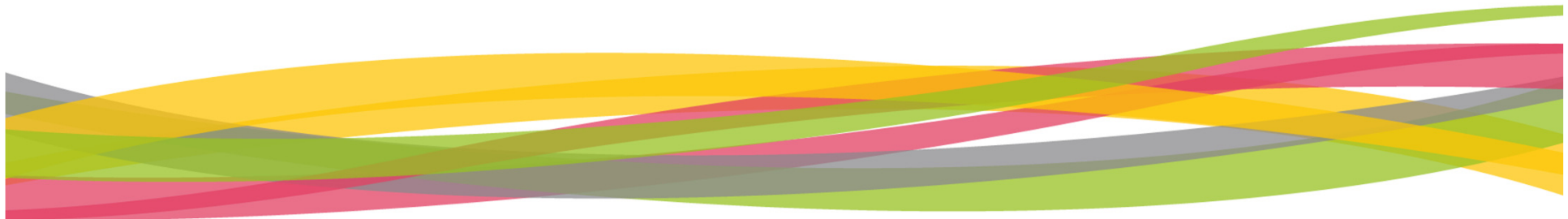


Financial and administrative framework

Interwork Event in Bremen
17 January 2018

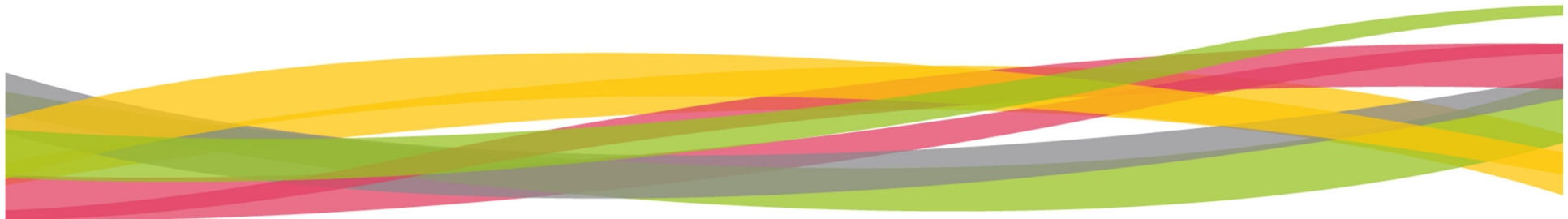
Christian Byrith, Jenny Thomsen, Jesper Jönsson & Christoffer Stougaard Villsen



Project partnerships – Key questions

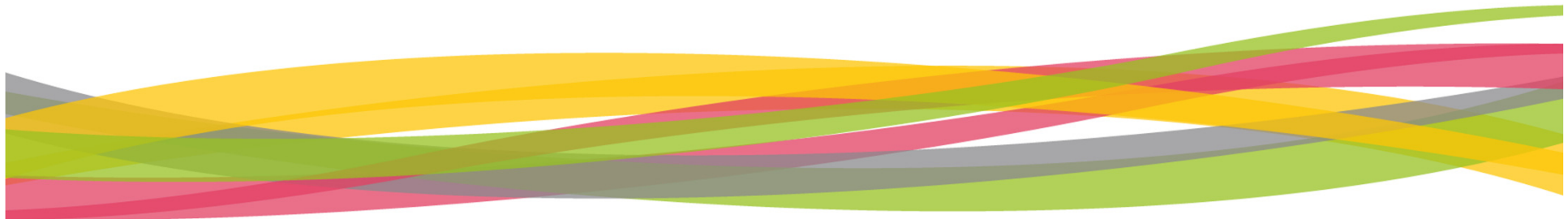
Do I have the right partnership?

- Do each partner have a well defined role in the project?
- Is the size of the partnership manageable?
- Is the partnership experienced in running interreg projects?
- Can/do I want to work with these people?



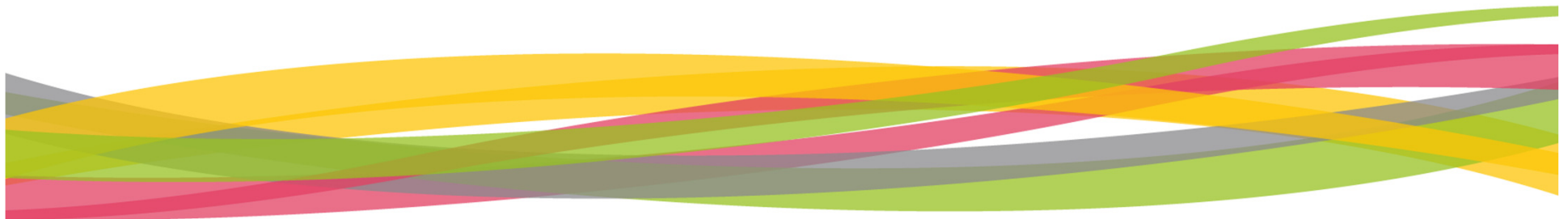
Keeping the partnership together

- Get the partnership agreement signed ASAP!
- Important that all partners are functional partners and not just there for the ride.
- Changing the partnership is a "major change" and only two of them are allowed in the project lifetime.
- Spending one of them on just getting to square one is perhaps not a good idea.



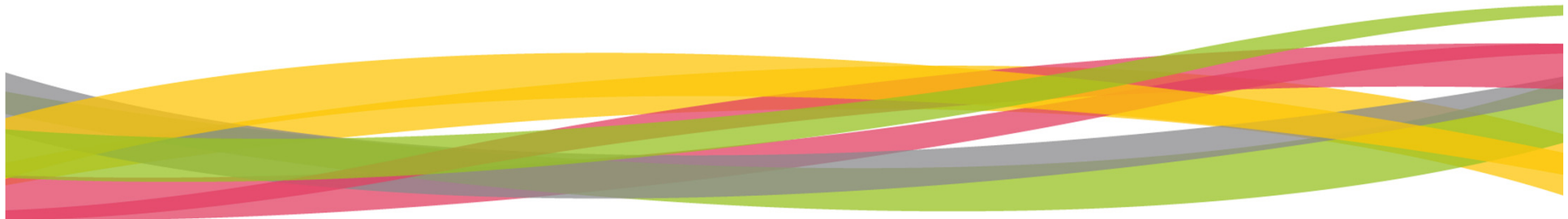


The Programme Rules

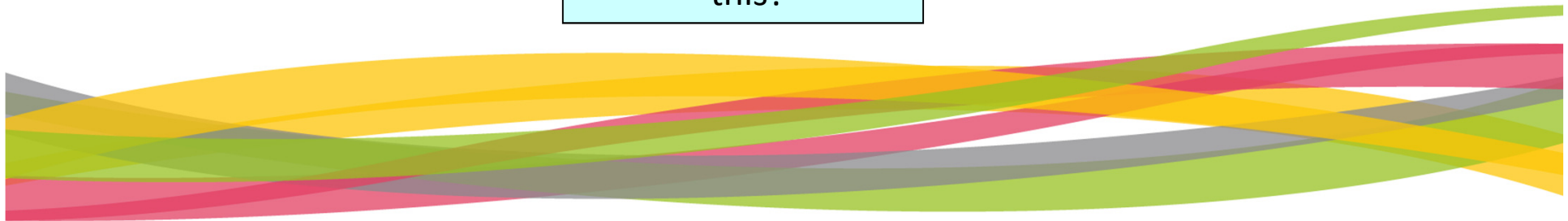
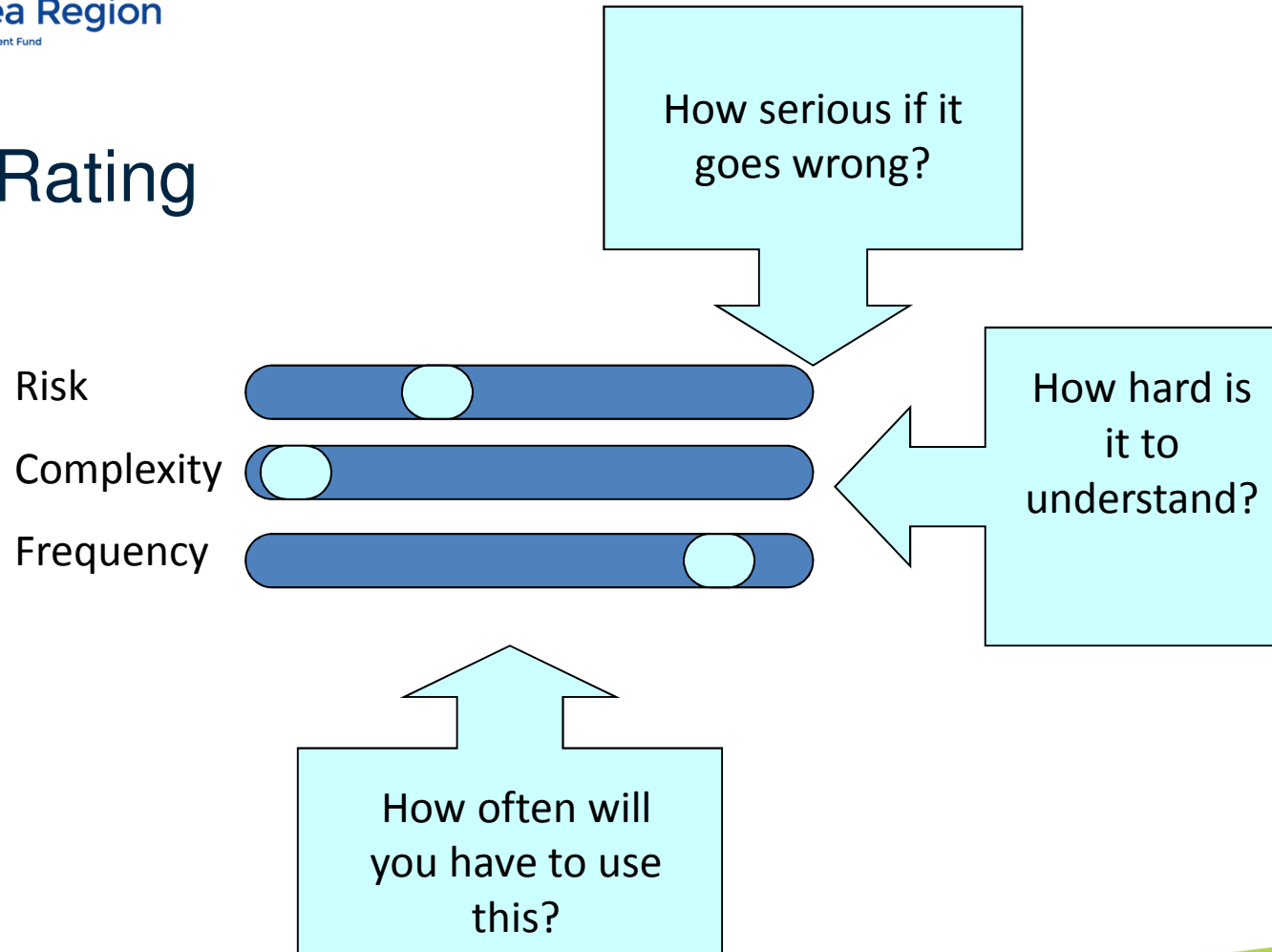


Agenda

- + Group 1: General rules, Staff, Office & Admin, Travel
- + Group 2: External experts and services, Tender procedures, Equipment and investments
- + Group 3: Shared Costs and Partnership Agreement
- + Group 4: Private sector, State aid
- + Group 5: In-kind, Location, letters of intent
- + Group 6: Reporting, Publicity, Changes



Rule Rating

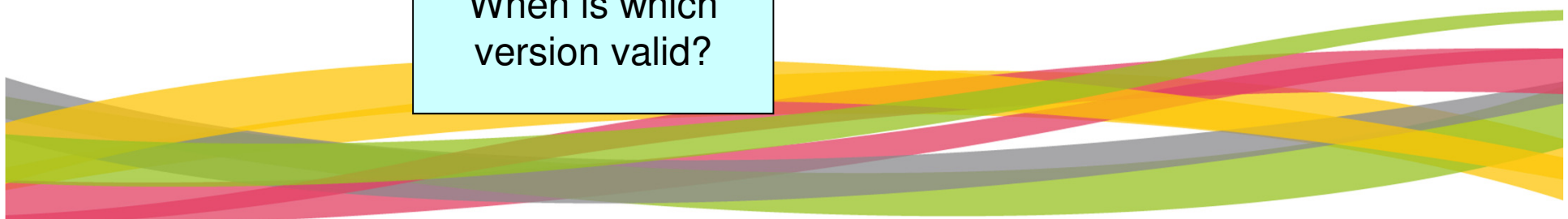


Are there more versions?

What has been changed?

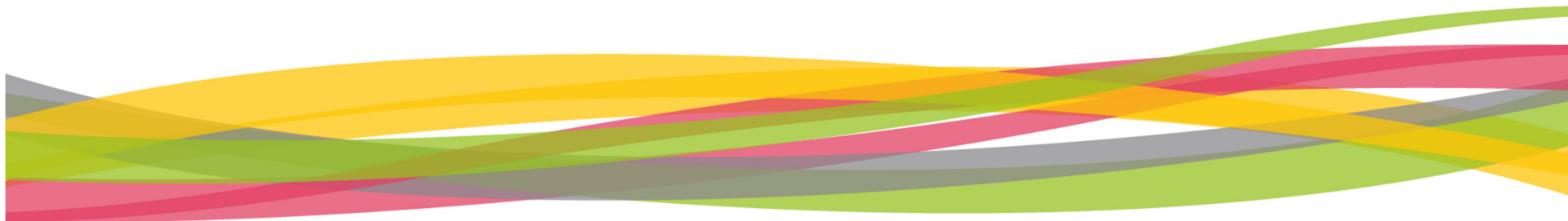
	Valid from	Valid to	Main changes
Version 3	13.04.16	...	Consolidated and simplified some assessment criteria
Version 2	20.10.15	13.04.16	Change to assessment categories. Changed reference to Preparatory Costs
Version 1	27.04.15	20.10.15	

When is which version valid?

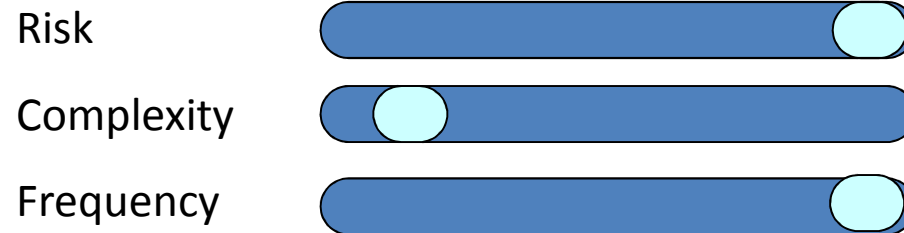




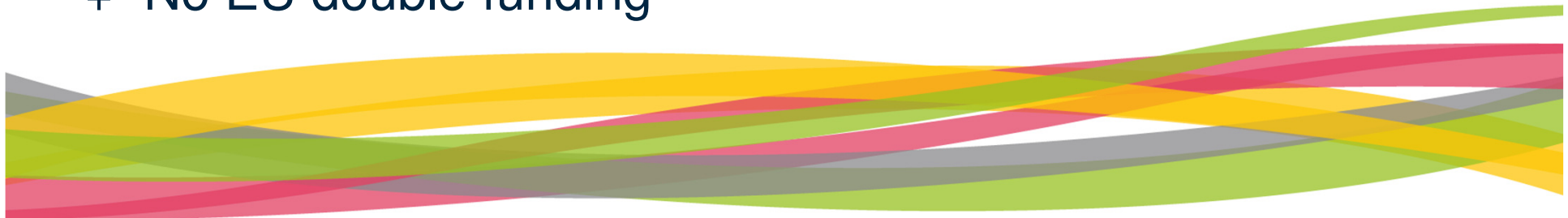
1



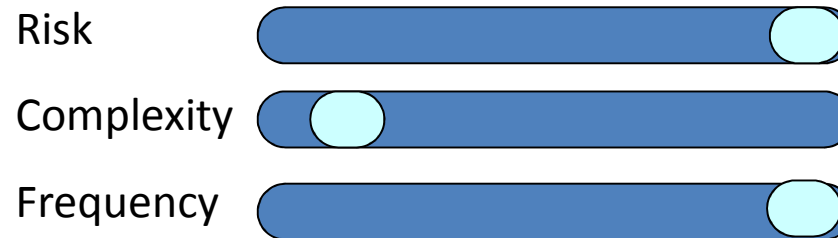
1. General rules on eligibility – Fact Sheet 1



- + Approved activities only
- + 50% funding – paid as reimbursement
- + Beneficiaries in application only
- + Costs required for implementing the project only
- + No EU double funding



1. General rules on eligibility – Fact Sheet 1



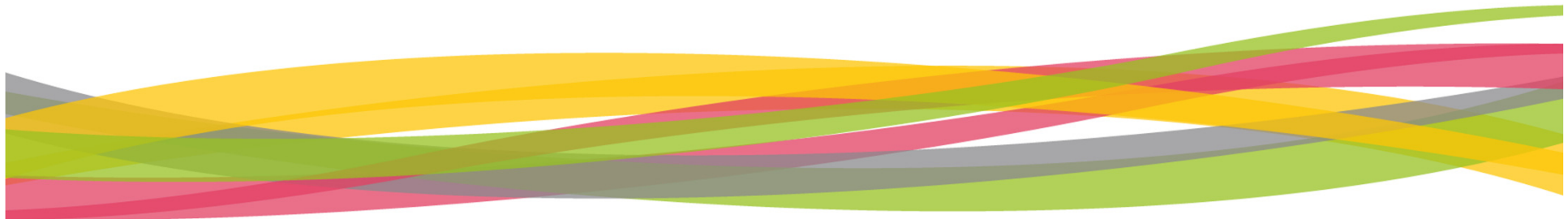
+ NEVER paid:

- Interest on debt
- VAT (refundable)
- Fines & penalties
- Exchange rate losses
- Aid to enterprises in difficulty
- Land purchase over 10% of project budget....most of the time....

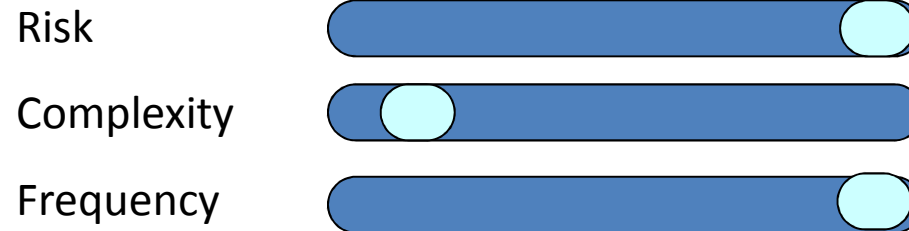


Question: general rules on eligibility

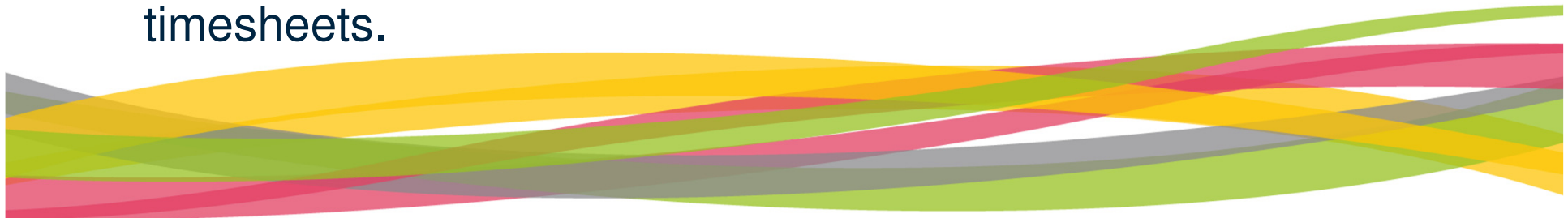
- + An employee from a beneficiary organisation working on the project has attended a project meeting and been driving to the meeting in the persons own car.
- + In connection with parking the car the employee received a parking ticket. Is this considered as an eligible expenditure?



1. Staff costs – Fact Sheet 2



- + Flanders and Netherlands – alternative rules apply (see Fact Sheets 2a and 2b)
- + Staff full-time on the project. Gross costs. Contract or equivalent. No timesheets.
- + Staff part-time with fixed percentage on the project. Fixed percentage of gross costs. Contract or equivalent. No timesheets.



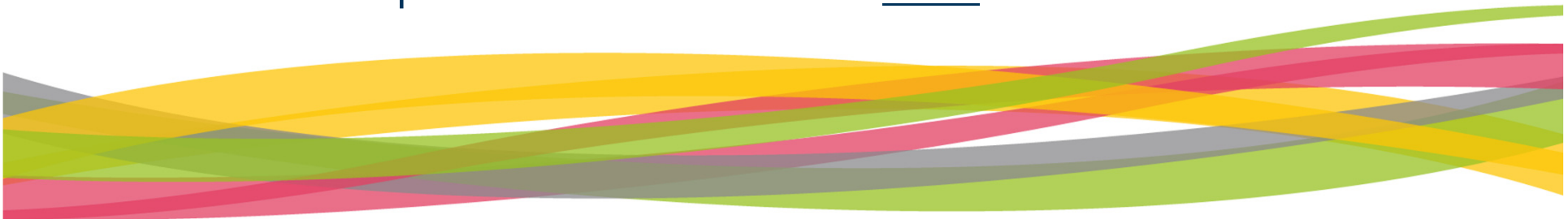
Example: Part-time with fixed percentage

- + If an employee is working 17% of the total working time on a project, and this rate is fixed then the beneficiary can report the following expenditure for staff costs to the Programme:

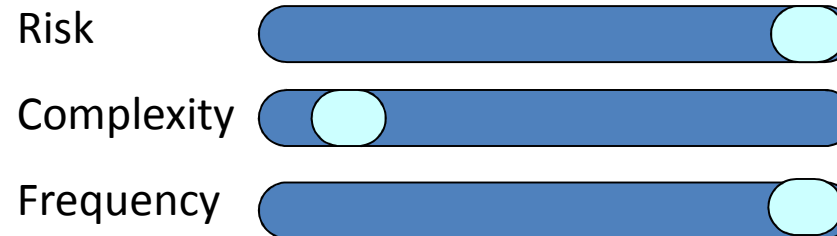
To be reported = Gross costs x 17%

If the gross cost is € 1.000 then the calculation is:

To be reported = €1.000 x 17% = **€170**



1. Staff costs – Fact Sheet 2

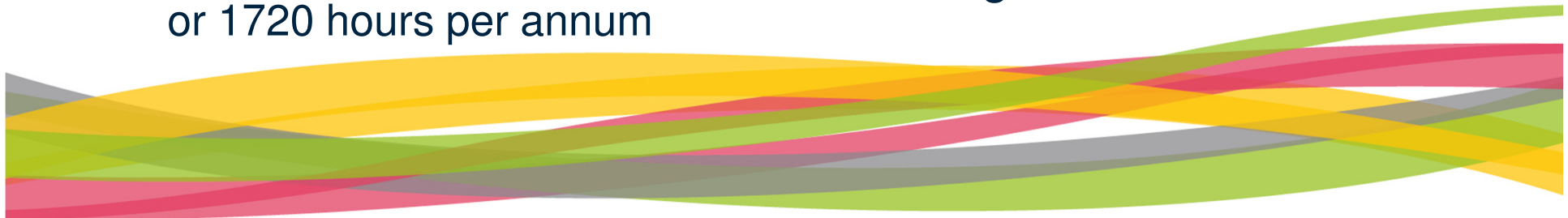


+ Staff part-time with variable hours on the project:

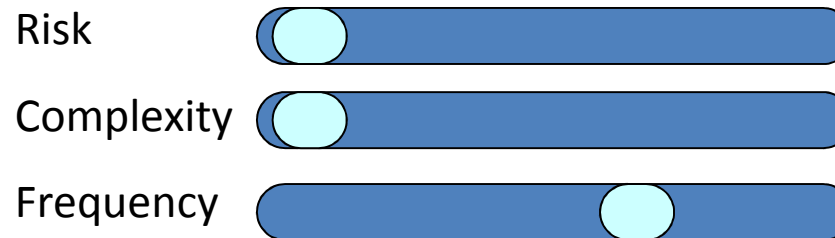
- Staff costs = Hours worked x Hourly rate
- Hourly rate = Gross employment costs / Contracted working hours or 1720 hours per annum

+ Timesheets for 100% of employees time...(not just time spent on project)

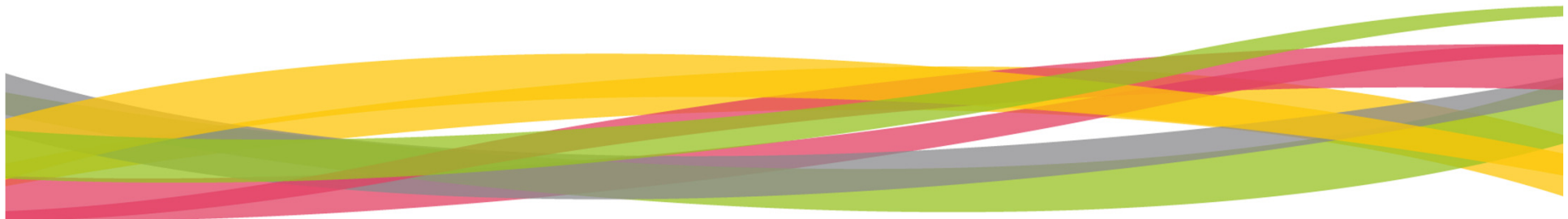
- + Staff paid by the hour:
Document hourly rate + register hours worked



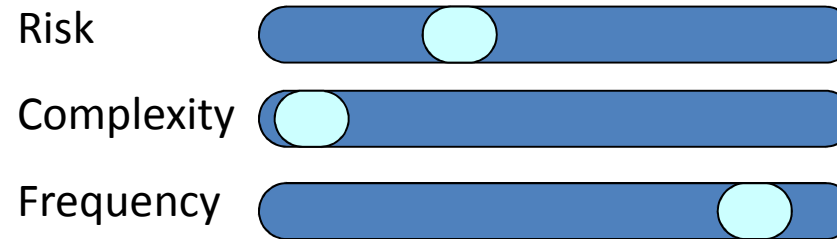
1. Office and Administration (including 'Overheads' costs) – Fact Sheet 3



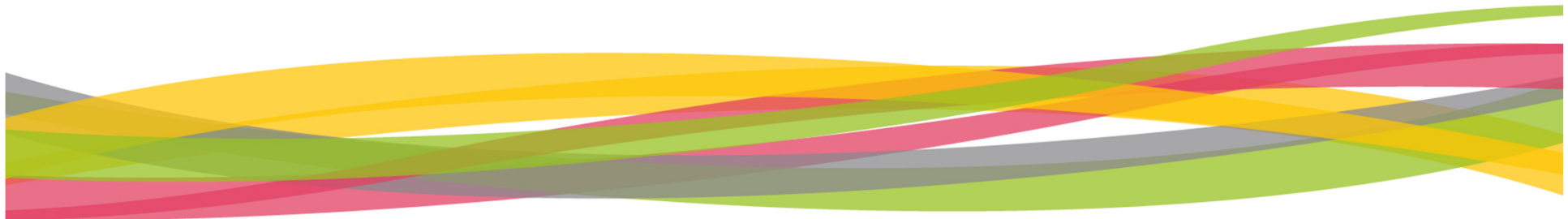
- + 15% of verified staff costs (50% reimbursement)
- + Auto-calculated by Online Monitoring System (OMS)
- + Basta!



1. Travel and accommodation costs – Fact Sheet 4

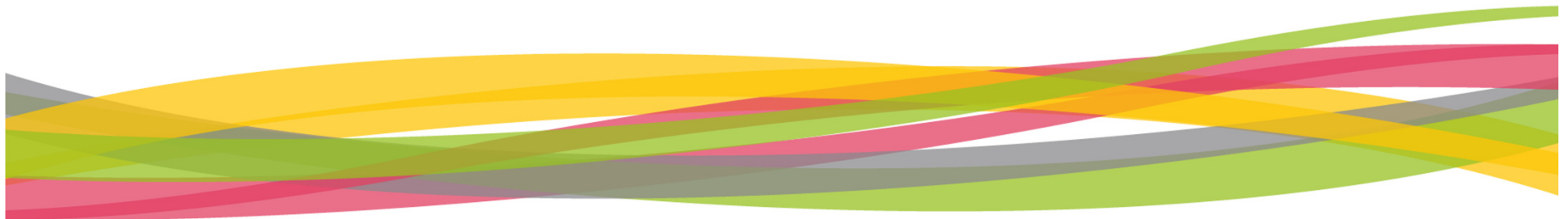


- + Real costs
- + Value for money
- + Justification

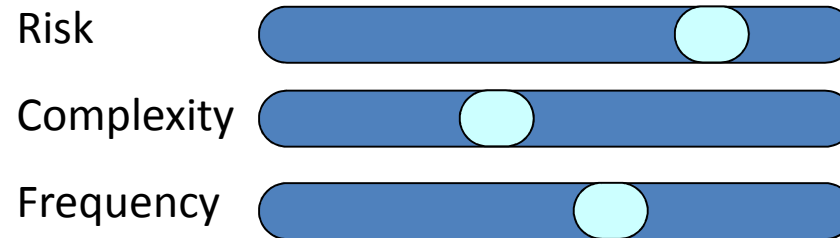




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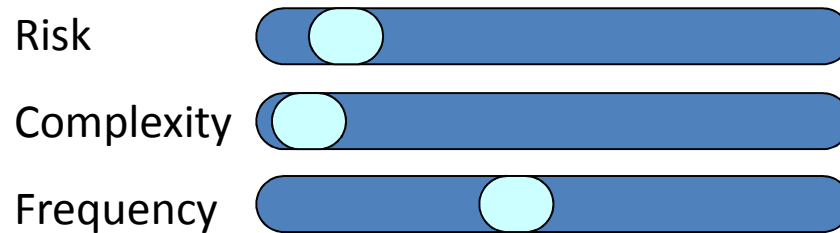
2. Contracting External Experts and Services – Fact Sheet 5



- + At **application stage**: Contracts the project intends to offer need to be defined in the application.
- + During **implementation**: Procurement!
‘We could only find one guy’ (bad excuses don’t work...)



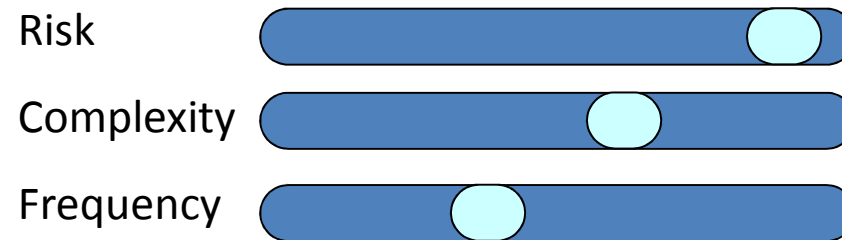
2. Equipment and Investments – Fact Sheet 6



- + At **application stage**: Need to be itemised in the application. Relevance of each item needs to be assessed.
- + Equipment: Regular equipment vs. specialist equipment
- + Investments: Should remain in place for at least 5 years from date of final payment to the project.
- + During **implementation**: Procurement!

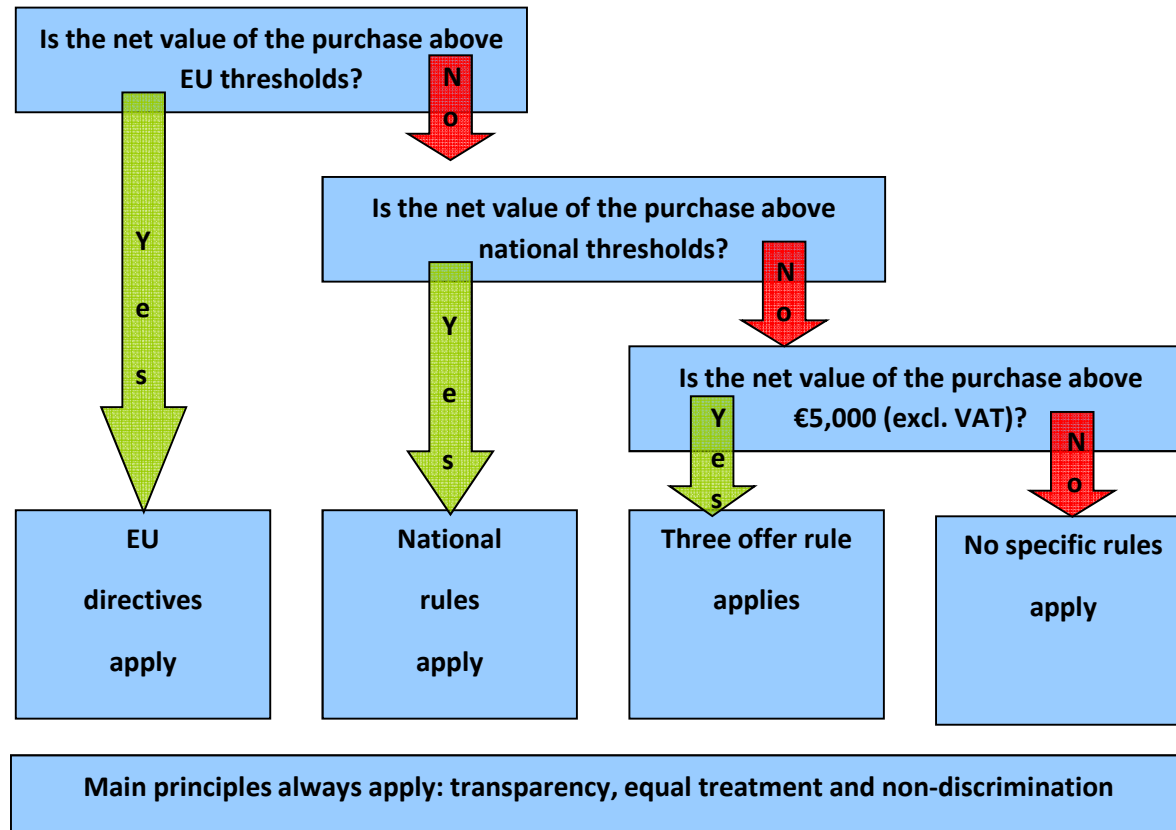


2. Tender procedures – Fact Sheet 11



- + 4 rules to consider (over EU threshold; below EU threshold but over national/ organisational threshold; over € 5.000; below €5,000)
- + **3 offer rule: All contracts for any amount over € 5.000 (excl. VAT) are offered to a range of bidders and advertisement and selection procedures must be documented.**

2. Which rules apply to which amounts? – Fact Sheet 11



Example – Tender procedures

- + A beneficiary needs to buy special measuring instruments for the work package they are involved in.
- + The measuring instruments are listed in the application with an amount of 3.000 €.

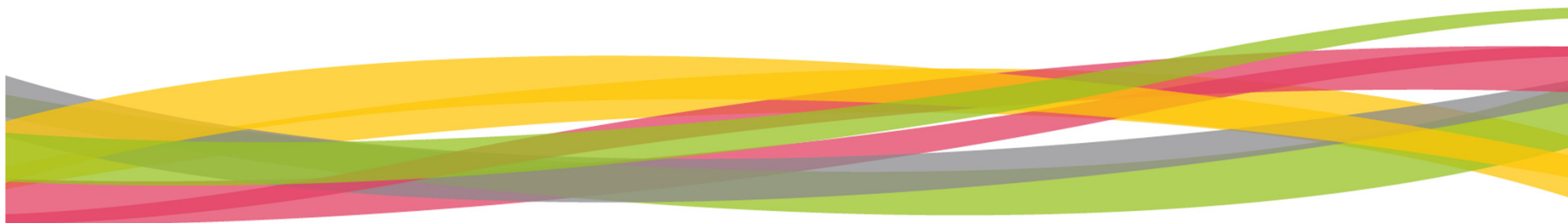
→ **Which rule needs to be applied?**

EU directives, national rules, 3 offer rule, no rule?

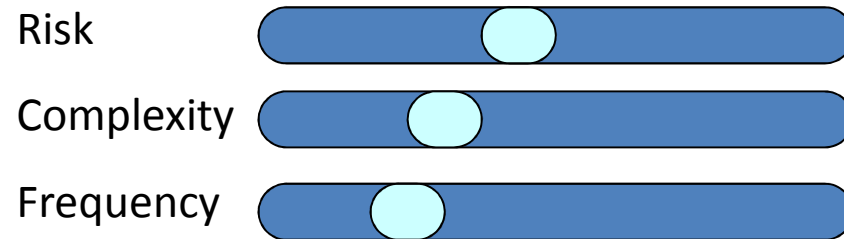




3



3. Shared costs – Fact Sheet 8



- + Any fixed rate payments must be justified against real cost calculations
- + Beneficiary that originally incurs a cost is responsible for the correctness of the cost



Example: Shared costs (model 4)

Table 1 - Total reported expenditure

Beneficiary	Staff cost	Office and admin.	Travel and accommodation	External expertise and services	Equipment	Investment	TOTAL EXPENDITURE	(Net revenue)	TOTAL ELIGIBLE EXPENDITURE
LB	500.000	75.000	20.000	350.000	300.000		1.245.000		1.245.000
PP2	20.000	3.000					23.000		23.000
PP3	300.000	45.000	15.000		20.000		380.000	(10.000)	370.000
PP4	-	-	35.000				35.000		35.000
PP5	10.000	1.500					11.500		11.500
Total	830.000	124.500	70.000	350.000	320.000	-	1.694.500	(10.000)	1.684.500

Table 2 - Total reported expenditure of which is shared costs (programme model 4)

Beneficiary	Staff cost	Office and admin.	Travel and accommodation	External expertise and services	Equipment	Investment	TOTAL
LB	50.000	7.500					57.500
Total	50.000	7.500	-	-	-	-	57.500

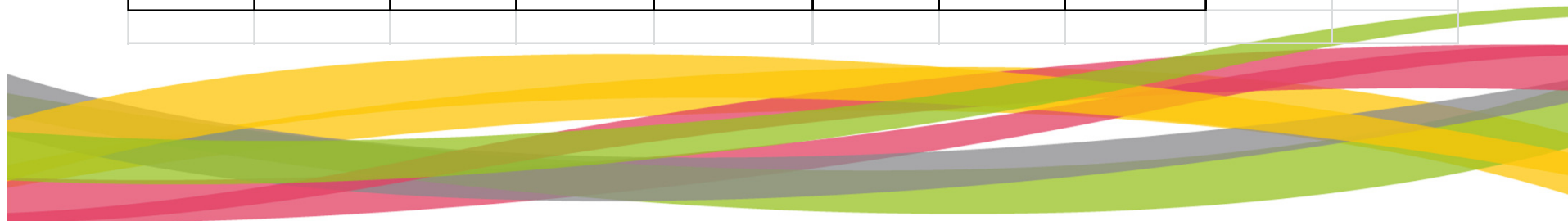
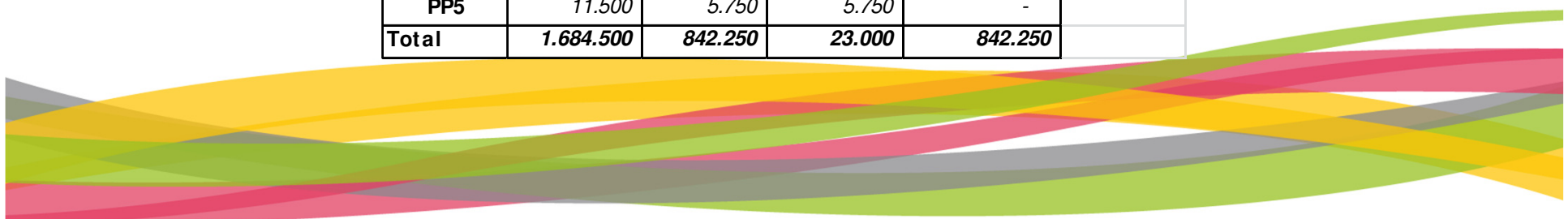


Table 3 - Funding of shared costs

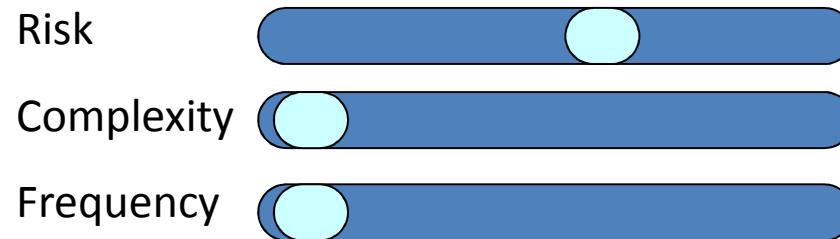
Beneficiary	Reported shared costs	Programme co-funding	Match-funding	Split of shared costs in accordance with Partnership agreement
LB	57.500	28.750	5.750	20%
PP2	-	-	5.750	20%
PP3	-	-	5.750	20%
PP4	-	-	5.750	20%
PP5	-	-	5.750	20%
Total	57.500	28.750	28.750	100%

Table 4 - Reimbursement of partnership after shared cost reimbursement

Beneficiary	TOTAL ELIGIBLE EXPENDITURE	Programme co-funding	Withholding Shared cost match-funding	Actual reimbursement after shared costs
LB	1.245.000	622.500	-	645.500
PP2	23.000	11.500	5.750	5.750
PP3	370.000	185.000	5.750	179.250
PP4	35.000	17.500	5.750	11.750
PP5	11.500	5.750	5.750	-
Total	1.684.500	842.250	23.000	842.250



3. Partnership Agreement – Fact Sheet 14

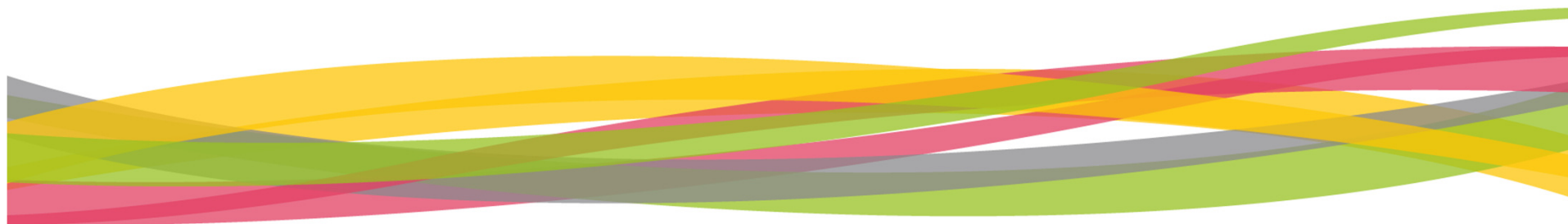


- + Must have a **SIGNED** agreement to get paid, including all beneficiaries and co-beneficiaries
- + Should indicate and explain how shared costs will be calculated and reimbursed
- + May include internal reporting deadlines, internal procedures for requesting changes, etc.

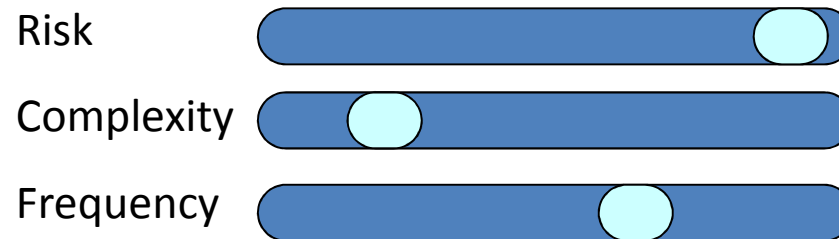




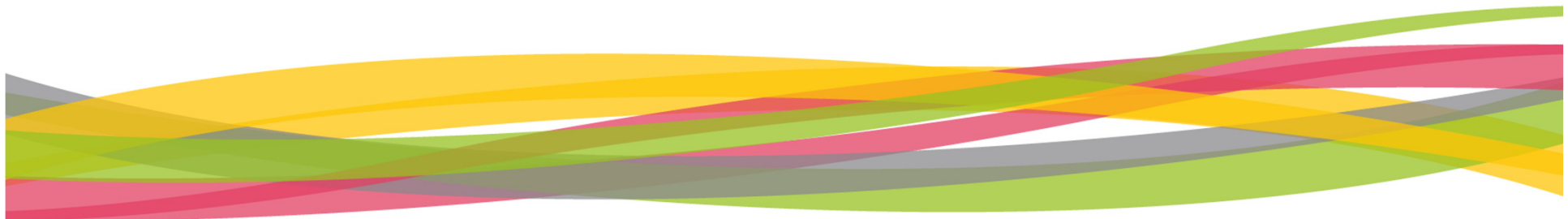
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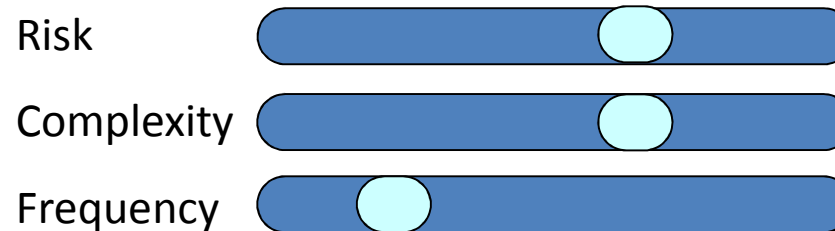
4. Private Sector Beneficiaries – Fact Sheet 15



- + Private sector partners are a risk factor
- + State aid, documentation, revenue, tendering
- + Need to monitor and assist them



4. State Aid – Fact Sheet 16

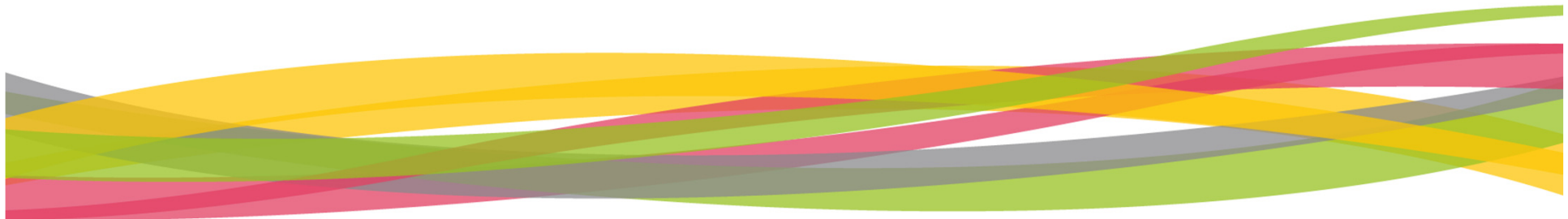


- + Dependent on activities - competitive advantage? Distortion of competition?
- + 3 options available:
 - No Economic Advantage (**not** for for-profit enterprises)
 - de minimis*: Max €200,000 over 3 fiscal years
 - General Block Exemption Regulation (GBER):
€2 million per beneficiary (only applies to SMEs)
 - Beneficiaries under *de minimis* or GBER are exempt from programme rules on tendering and revenue generation



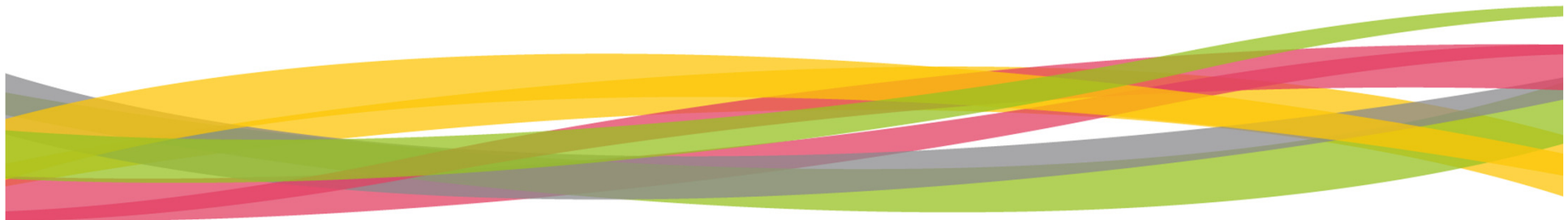
4. State Aid for Final Recipients – [Fact Sheet 17]

- + A final recipient is any undertaking which receives aid in whatever form but ***is not one of the project beneficiaries***, e.g. an SME taking part in training offered by the project.
- + Final recipients in NSRP projects are only an issue when the aid provided to them by the programme involves services with a clear value which is exclusionary, i.e. not open and available to all similar organisations. Examples include consultancy, research and development, coverage of travel costs, etc.



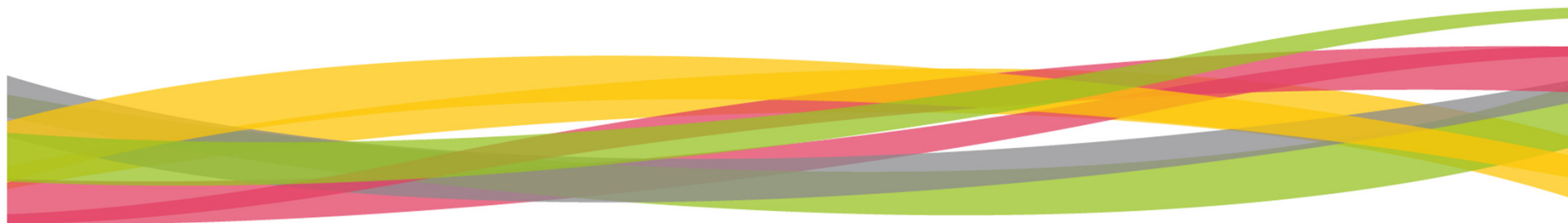
4. State Aid for Final Recipients – [Fact Sheet 17]

- + Final recipients receive aid ONLY under the *de minimis* regulations and are co-funded at 100%.
- + The full cost of the services provided must be documented by the project and the beneficiary must ensure that the SMEs comply with all relevant terms of the *de minimis* scheme.
- + All final recipients must sign a *de minimis* self-declaration, provided in Fact Sheet 17, in which they confirm that they have not received up to EUR 200,000 in public funding through *de minimis* within a three-year period.

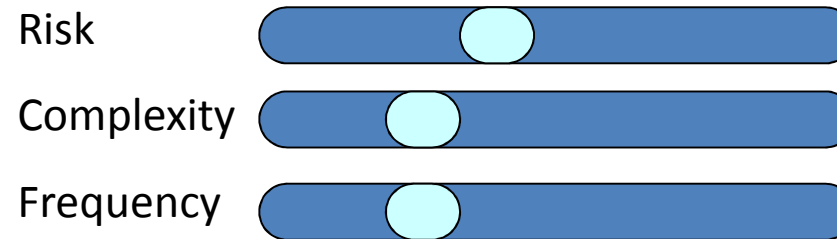




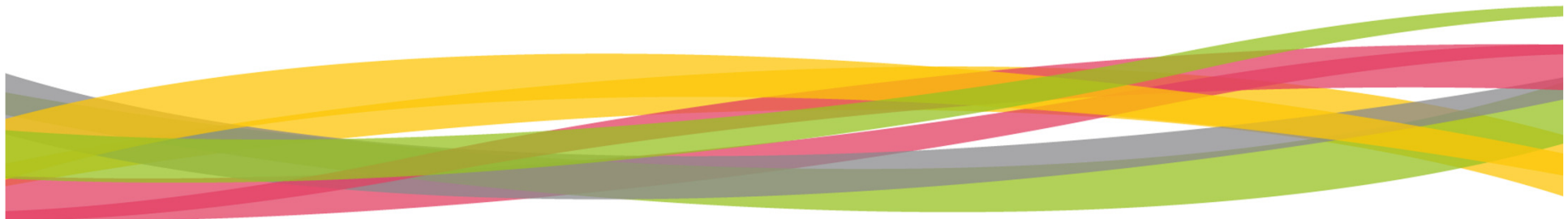
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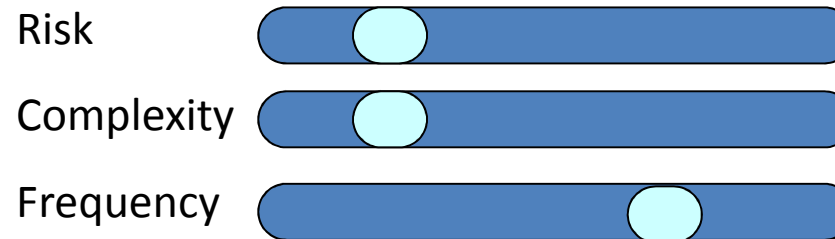
5. In-kind contributions – Fact Sheet 1



- + NOT ELIGIBLE!
- + Staff costs are not in-kind contributions; unpaid voluntary work is not a cost

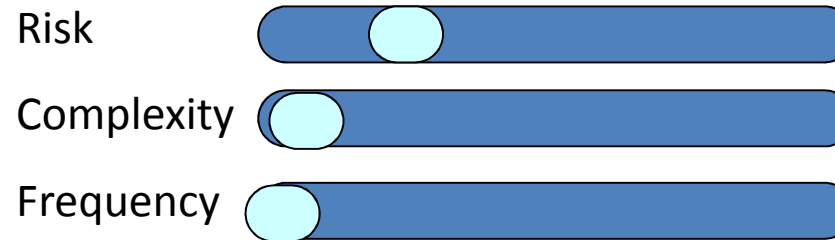


5. Beneficiaries and activities outside the NSRP area – Fact Sheet 18



- + **Key message:** As a basic rule all beneficiaries, activities and expenditure have to take place inside the boundaries of the North Sea Region.
- + Location of Lead Beneficiary
- + Location of expenditure – max 20% outside of programme area
- + Alternative arrangements: invited experts or contracted service providers

5. Letters of Intent – Fact Sheet 20

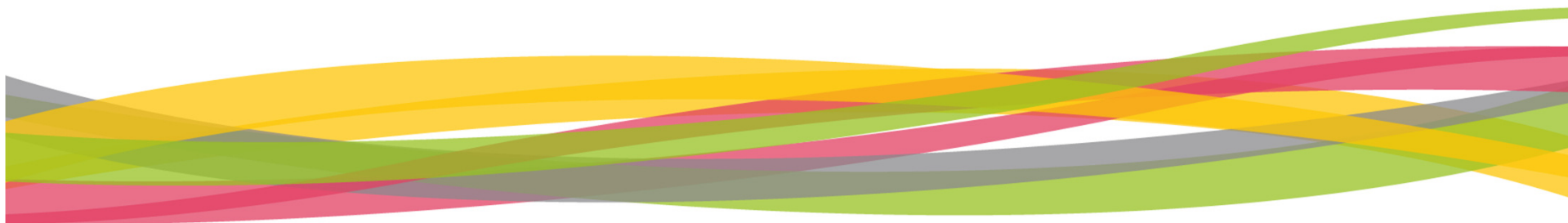


- + **Key message:** Every beneficiary submit a letter of intent.
- + Local partnerships: All co-beneficiaries signs the same letter of intent
- + Sets out the beneficiaries intent: Commitment, responsibilities, obligations, co-financing

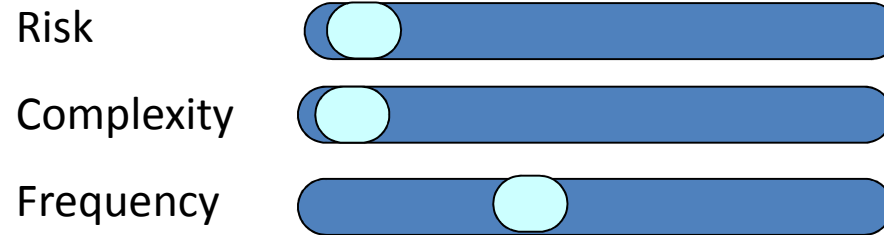




6



6. Reporting – Fact Sheet 22



3 types of reports

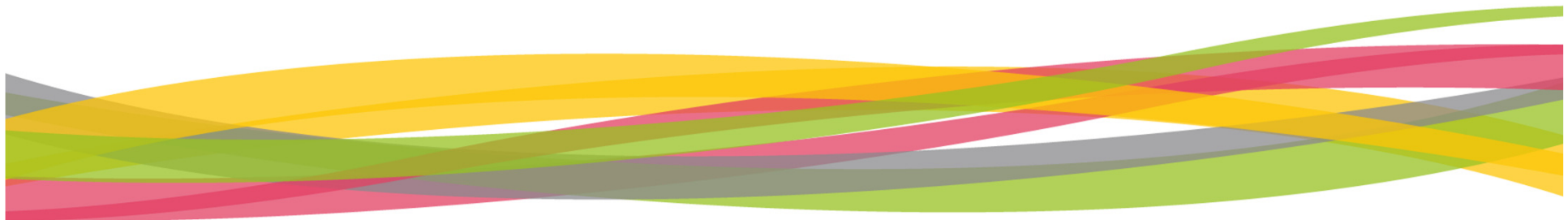
Basic Progress Report – Statement of expenditure is optional

Full Progress Report – Must include a statement of expenditure

Final Progress Report – Must include a statement of expenditure



6. Reporting – Fact Sheet 22



6. Reporting – Fact Sheet 22

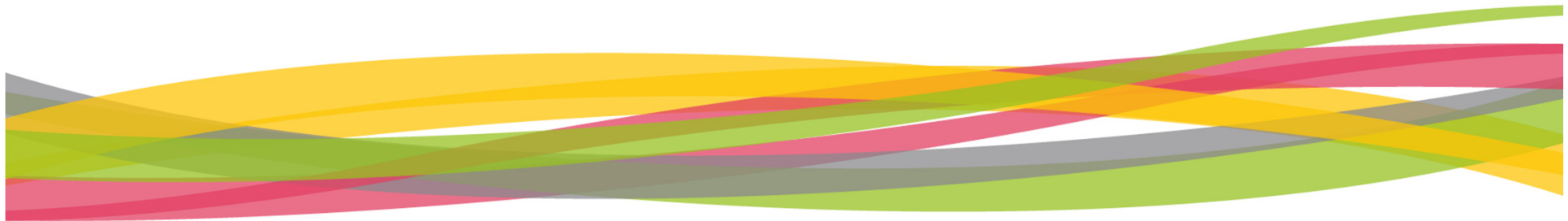
Example of reporting schedule – Project X



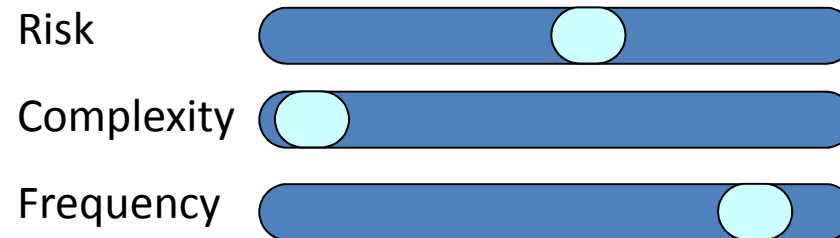
Example – Reporting schedule

+ The Lead Beneficiary is signing the contract between programme and project today.

→ **When is their first report due?**



6. Publicity Requirements – Fact Sheet 25



Key message

Accepting an EU grant means agreeing to promote the work of the European Union in the North Sea Region

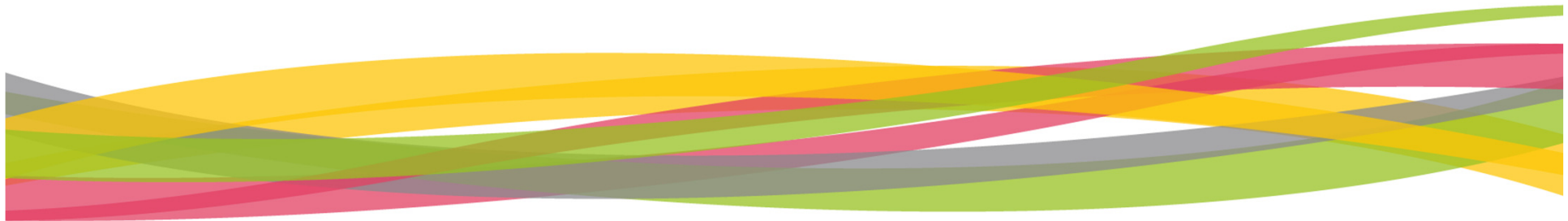
Requirements

- Use project logo provided by joint secretariat
- Use webspace
- Set up project poster (template OMS)
- Plaque/ billboard for infrastructure investments > € 500.000

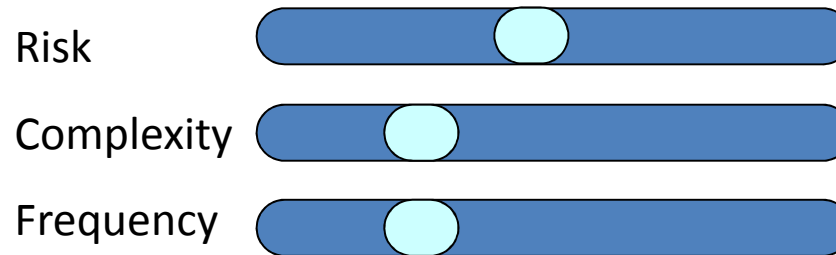
Example – Publicity requirements

+ A beneficiary is producing a flyer but forgets to put on the project logo.

→ **Is this eligible?**



6. Project Changes – Fact Sheet 26



There are **three different kind of changes**:

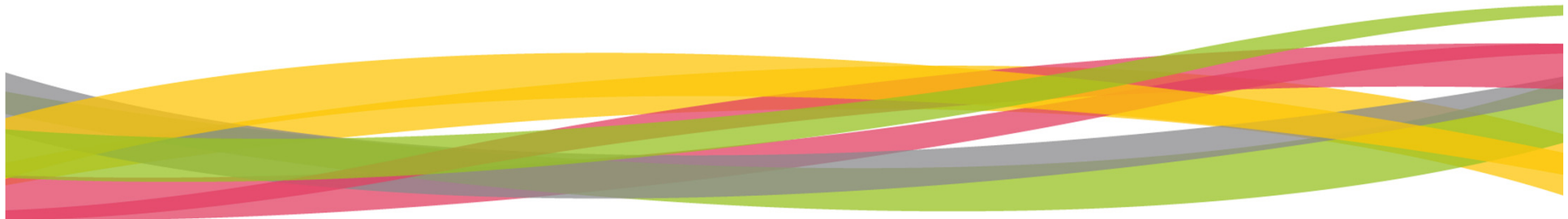
- 1. Basic information** → approval by Lead Beneficiary
- 2. Minor change** → approval by Joint Secretariat
- 3. Major change** → approval by Steering Committee

!MAXIMUM OF 2 MAJOR CHANGES PER PROJECT LIFETIME!



Example – Project changes

- + An employee of a beneficiary from Sweden who was mainly responsible for the communication work package became seriously ill. The beneficiary had no additional human resources to carry out the task.
 - + A beneficiary from Germany had to take over the lead for the communication work package and the budget had to be changed accordingly.
- ➔ **Which kind of change needs to be submitted?**
Basic information change, minor change, major change?



Thank you for your endurance.

Fact Sheets online (under 'Key documents')

www.northsearegion.eu

Please contact the Joint Secretariat
with any questions you may have.

