

# **Simplified cost options**

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# SCO's in Interreg Europe

- Administration costs = flat rate of 15% of partners' staff costs
- Preparation costs = lump sum of EUR 15,000
- Event and travel costs of national points of contact and MC members (under TA)
  - = standard unit costs per country per participant (for national events)
  - = standard km rates for travel



# Administration costs

- Experimentation under Interreg IVC (2007-2013)
  - Amendment of regulation in 2009
  - Administration costs = 12% of staff costs (historical data)



# Administration costs

- Motivation:
  - To simplify reporting and control requirements, reduce mistakes and audit error rate check of calculation method
  - To reduce project management and FLC costs,
  - To focus on content and results



# **FLC / auditors focus:**

- Verification of calculation methodology
- Verification of the eligibility of direct staff costs to which the flat rate is applied
- Verification of correct application of the calculation

No check of actual costs and use made of flat rate  
(may be higher or lower on individual level)!



# Administration costs

- one option only
- rate of 12% and now 15% fits majority of projects (bearing in mind Interreg Europe objectives and co-financing rate)



# Administration costs

- Experimentation under Interreg IVC (2007-2013)
  - Ex-ante approval by EC (positive AA opinion)
  - Audit by Court of auditors



# Preparation costs

- Lump sum
- Allocated to LP (who then can share with PPs)
- Based on historical data
- No ex-ante approval by EC
- Motivation
  - Reduce administrative burden where it is clear that such costs exist but are time-consuming to declare (case of prep costs: only granted at 1<sup>st</sup> report, ie. 1.5 years after they occurred)



# Costs for MC/NCP activities (TA)

- decision to give MS the option to have part of their MC/NCP activities financed under TA
- only for those MS having opted in
- condition that it does not increase an additional administrative burden and thus the need of TA (FLC done by France as for TA in general)
- rates from other EU-programmes (Jean-Monnet)

# Costs for MC/NCP activities (TA)

- Standard rate per event participant

## Rates for the reimbursement of national meeting and event costs

contribution to costs linked to the organisation of conferences, seminars, workshops (from a minimum of 10 participants)

Programme Countries	Unit cost per day per participant in EUR
Austria	95
Belgium	90
Bulgaria	40
Croatia	47

# Costs for MC/NCP activities (TA)

- Standard km rate for travel
  - 10 to 99km = €20
  - 100 to 499 km = €180
  - 500 to 1,999 km = €275
  - 2,000 to 2,999km = €360
  - 3,000 to 3,999km = €530
  - 4,000 to 7,999km = €620

[http://ec.europa.eu/programmes/erasmus-plus/tools/distance\\_en.htm](http://ec.europa.eu/programmes/erasmus-plus/tools/distance_en.htm))



# When deciding on a SCO

1. Identify areas with high potential
2. Find relevant data. Regulation? Other EU-programmes? Historical data?
3. Keep it simple.
4. Find a rate/sum that is fair for the majority.
5. Bear in mind impact on error rate.

# Staff costs – 20% flat rate of direct costs

Significant simplification, but...

- ...not adapted to INTERREG EUROPE (= staff intensive)  
*flat rate of 100% of direct costs would be required*
- ...potentially big impact on the error rate



# Staff costs – 20% flat rate of direct costs

Calculation example :

	actual	based on flat rate
Direct costs:	€100,000	€100,000
Staff costs:	€100,000	€ 20,000
Admin costs:	€ 15,000	€ 3,000

- INTERREG EUROPE = staff intensive  
*staff = 100% of direct costs*
- potentially big impact on the error rate



# “wishlist” for future



- simplified cost options maintained
- further off-the-shelf SCO options

# to prepare for a potential future



- further experimentation under Interreg Europe (4<sup>th</sup> / final call?)
- lump sum for office equipment for project management purposes ?
- any other good practices from other programmes (eg. lump sum for closure)?



# Simplified cost options

= significant simplification, but...

...not to forget about other simplification possibilities:

# Other forms of simplification



- no budget by partner by budget line,
- higher budget flexibility (20%),
- no more components,
- no shared costs – instead contracting partner principle or shared activities,
- no more LP FLC (“no 2nd level control within 1<sup>st</sup> level control”)
- Harmonization through INTERACT finance network + with the 2 programmes hosted by Hauts-de-France Region, joint understanding with EC
- etc, etc...



# Thanks for your attention!

