

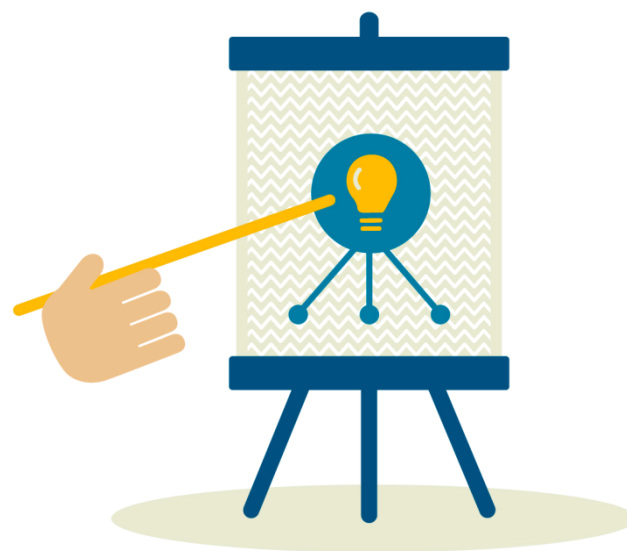
# Starting the programme

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Interreg Programme Management for  
Beginners

24 - 25 April 2018 | Budapest, Hungary

**Iuliia Kauk, Interact Programme**



# The programme is approved!

Selection

Contracting

Implementing  
projects



But before...

Certain rules of the game must be  
set...

preferably in one place...

Programme Manual

The Monitoring Committee

# Programme Manual

...is the ultimate reference book of the programme rules for anyone interested in how the programme works.

## For whom?

- Lead partners
- Project partners
- First level controles (dedicated manuals)

## Why?

- How to apply for projects
- How to implement activities
- How to report to the programme



# Application rules

## Types of calls

- One step
- Two steps
- Ongoing/ open

## Preparatory costs

- No preparatory costs
- Lump sums (if project approved), e.g. 15000 EUR
- Seed money projects

# Types of projects

## Regular

- Different understanding

## Strategic

- Strategic predefined
- Flagship/ indicative actions
- Cluster project/ project platforms

## Small scale

- Small scale (e.g. up to 50 000 EUR with 2 partners)
- Umbrella projects
- Seed money projects
- Small projects

# Types of partners

## Involvement

- Lead partner
- Project partner
- Sub-partner
- Associated partner
- Partners outside eligible area (internal, external)

## Private partners

- No private partners
- All enterprises
- Only SMEs
- Limited or full involvement (e.g. only non-profit activities)

# Implementation rules

## Co-financing rates

- Directly from the regulation (75%, 85%)
- Reduced (50%, 60%, 70%)
- Different types of projects, partners (e.g. SME, outside)

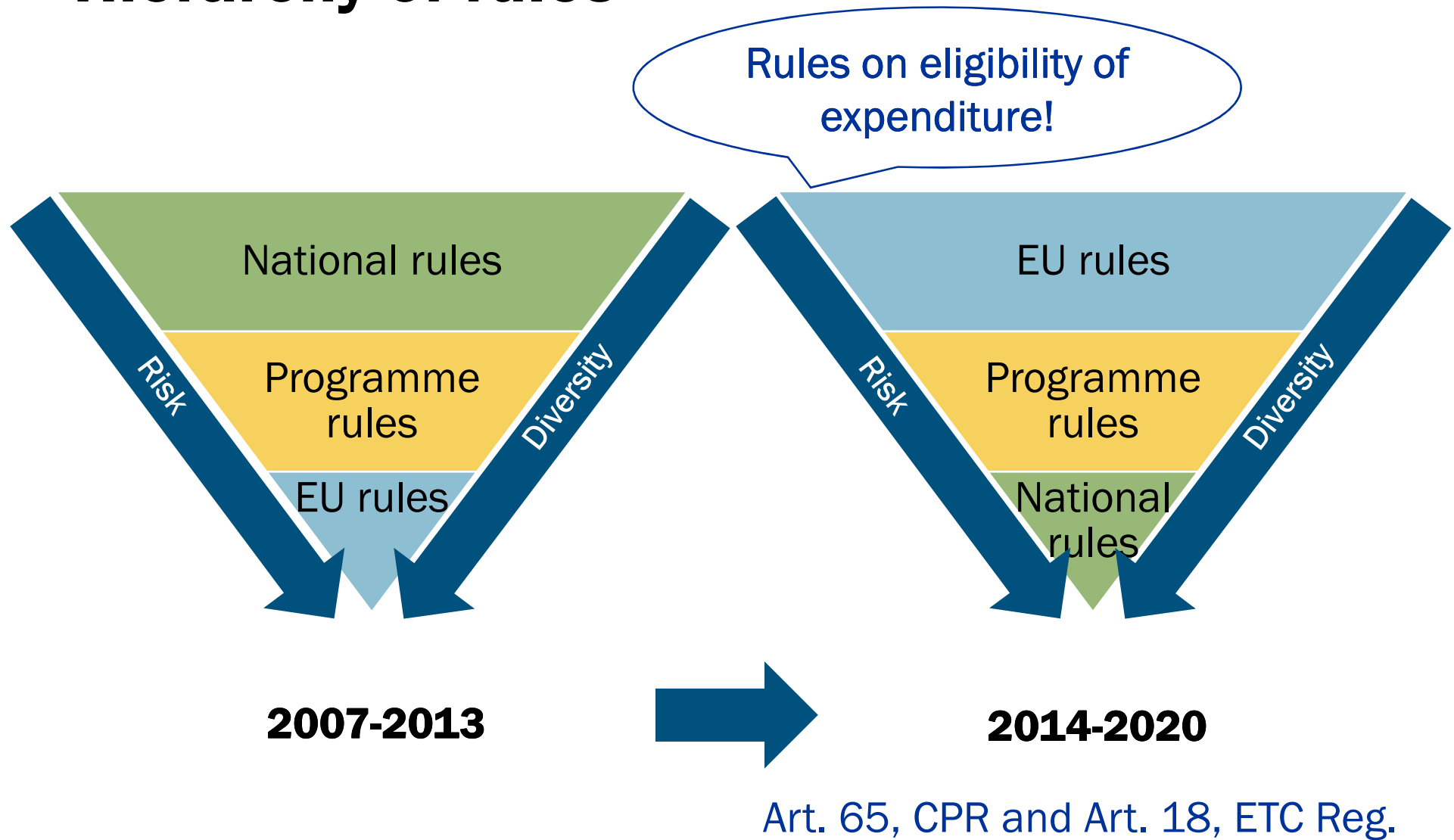
## Reporting rules (timing)

- Half-yearly
- Quarterly
- On-going (amount)

## Shared costs

- No shared costs
- Shared costs outside the project
- Shared costs as part of the project

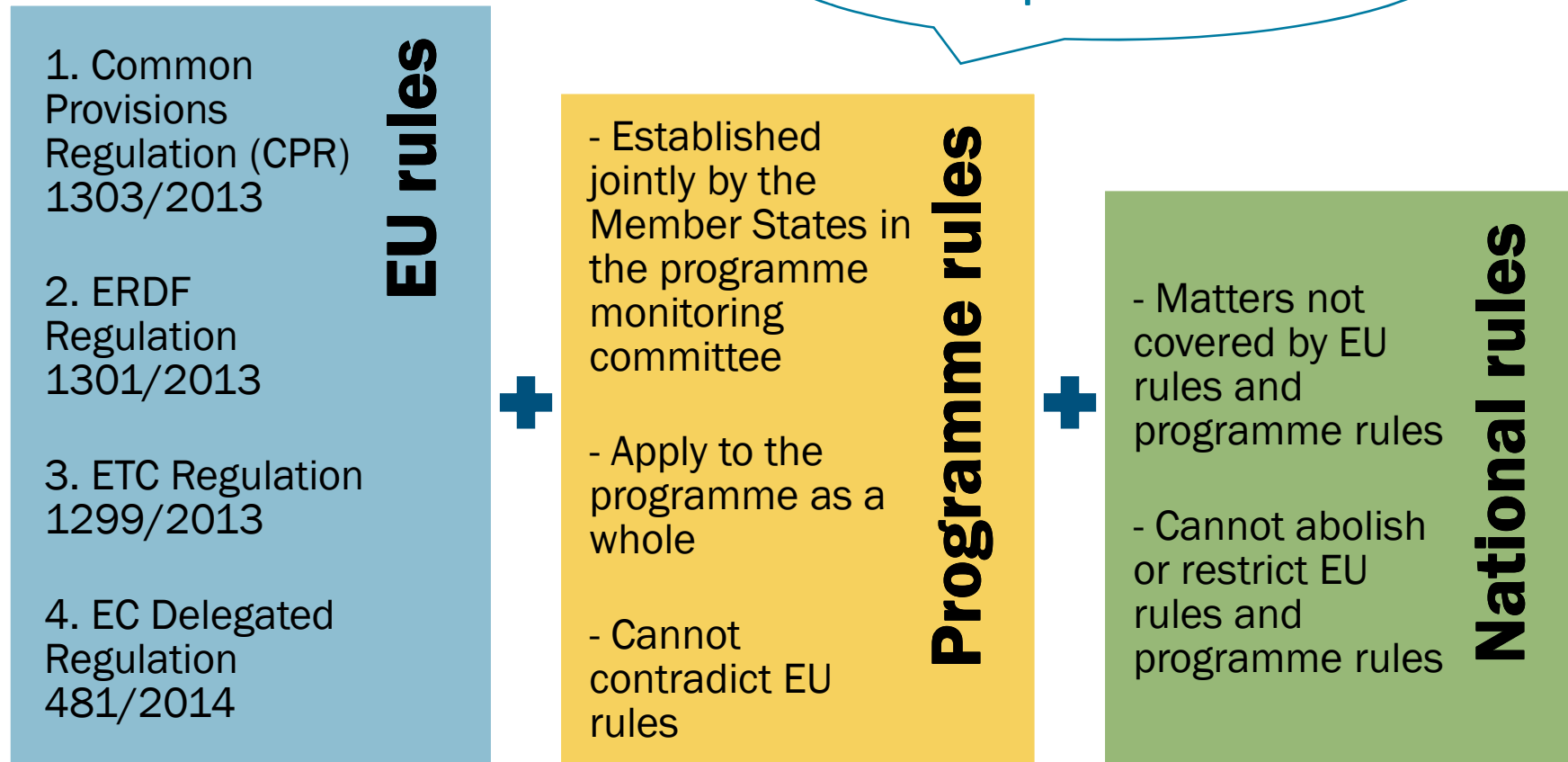
# Hierarchy of rules





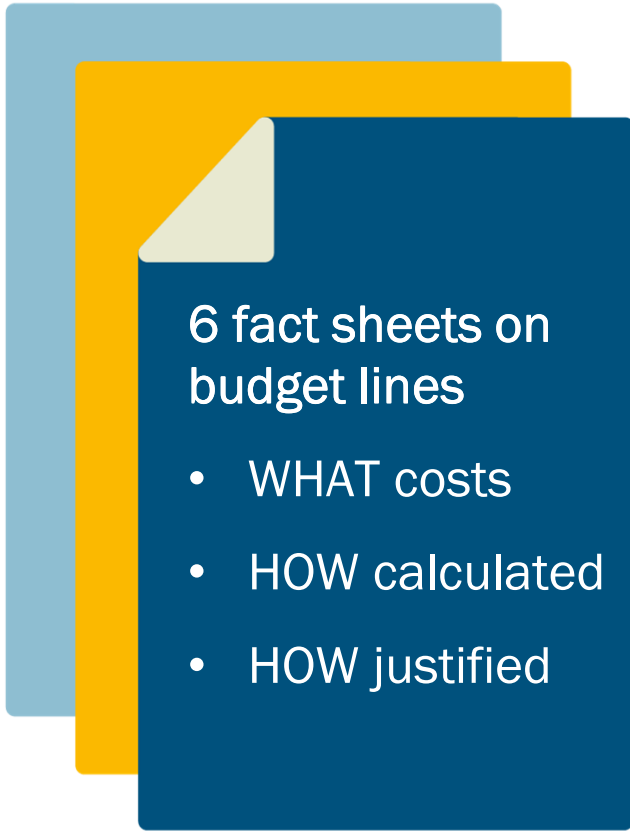
# Hierarchy of rules

Rules on eligibility of expenditure!



# Budget lines

1. Staff costs
2. Office and administration
3. Travel and accommodation
4. External expertise and services
5. Equipment
6. Infrastructure and works



6 fact sheets on  
budget lines

- WHAT costs
- HOW calculated
- HOW justified

**Available on Interact website**

# Forms of reimbursement

**Real costs**

## **Simplified cost options**

Flat rate

Standard scale of unit cost

Lump sum



- Options applied in 2007-2013
- Options in CPR 1303/2013 and ETC Reg. 1299/2013
  - Ex-ante calculations
  - Novelties in Omnibus

# SC0: Flat rate

- calculation of costs of a specific budget line(s)
- calculated by applying a percentage fixed in advance
- percentage applied to one/several other budget lines

Example:



**Staff costs \* 0,15 = Office and Administration costs**

**Direct costs other than the staff costs \* 0,20 = Staff costs**

# SCO: Standard scale of unit costs

- calculation of all or part of costs of a specific budget line
- calculated by applying a standard unit cost fixed in advance
- applied to easily identifiable quantities
- Established based on fair, equitable and verifiable calculation method

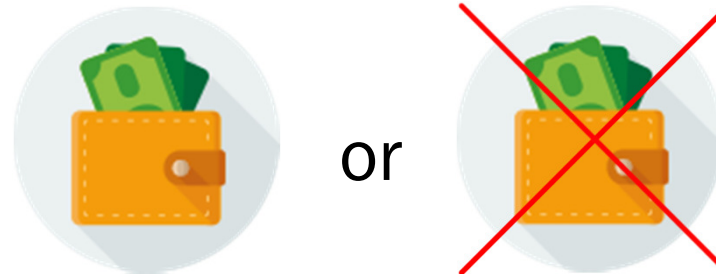
## Example:

Cost for advisory service based on historical data

**Number of days \* EUR 350**

# SCO: Lump sum

- calculation of all or part of costs of the project
- subject to achievement of predefined outputs/activities
- single payment – maximum limit EUR 100 000 of public contribution per project (before Omnibus)



## Example:

Project preparation costs

Costs of predefined project activities

Small projects/ people-to-people projects

# Staff costs

## Eligible cost

- Full and part-time work on the project
- Salary payments and other linked costs
  - all costs fixed in *employment document/ law*
  - salaries related to responsibilities specified in *job description*

## Forms of reimbursement

- **Real costs** (*payslips and proof of payment*)
- **Simplified cost options (SCOs)**
  - Flat rate
  - Standard scale of unit costs

# SCOs - Staff costs

## Flat rate (Art. 19, ETC Reg.)

Staff costs of an operation may be calculated at a flat rate of up to 20% of the direct costs other than the staff costs of the operation

- can apply on individual partner level
- partners do not need to provide audit trail for staff costs (but for direct costs)

**Each partner can decide on the reimbursement option, unless applicable options are set at programme level.**

## Standard scale of unit costs (Art. 67, CPR)

Ex-ante calculation based on a fair, equitable and verifiable calculation method



# Staff costs – Standard scale of unit costs

## Art. 67, CPR

- Ex-ante calculation based on a fair, equitable and verifiable calculation method

| Example  |                              |  |
|----------|------------------------------|--|
| Category | Annual gross employment cost | Hourly rate (annual gross employment cost / 1720h) |
| 1        | Below EUR 19.999             | 11,63  |
| 2        | EUR 20.000 – 49.999          | 20,35  |
| 3        | EUR 50.000 – 74.999          | 36,34  |
| 4        | EUR 75.000 – 99.999          | 50,87  |
| 5        | Above EUR 100.000            | 65,41  |

Data: NWE area, all MS, 5 projects from 2007-2013, 18,5 m ERDF, 51 beneficiary organisations, 297 employees

# Office and administration

Eligible cost

- Operating and administrative expenses of the partner organisation that support delivery of the project
- Exhaustive list of costs defined in Del. Reg. 481/2014

Forms of  
reimbursement

- **Real costs**
- **SCO - Flat rate**

# Office and administration – Flat rate

Art. 68(1), CPR

Indirect costs may be calculated at a flat rate of:

**Up to 25%** of eligible direct costs

fair, equitable and verifiable  
calculation method

**Up to 15%** of eligible direct staff costs

no calculation method required  
from the programme

- can apply on individual partner level
- partners do not need to provide any audit trail

# Travel and accommodation

## Eligible cost

- Travel and accommodation costs of **staff of partner organisations** that relate to delivery of the project
- Exhaustive list of costs defined in Delegated Regulation 481/2014

## General principles

- Travel and accommodation of external experts under *External Expertise and Services*
- Daily rates for hotel and subsistence should be respected, in line with national legislation or internal policy of the partner organisation
- Cost related to travel outside the programme area (Art. 5, Del. Reg. 481/2014) – location of the partner

# External expertise and services

Eligible cost

- External expertise and services provided by a **public** or **private body** or a **natural person** outside of the partner organisation
- Open list of costs defined in Delegated Regulation 481/2014  
*...; other specific expertise and services needed for operations*

# Equipment

## Eligible cost

- Equipment **purchased, rented or leased** by a partner, necessary to achieve objectives of the project
- May include costs of equipment already in possession by the partner
- Exhaustive list of costs defined in Del. Reg. 481/2014 ...; *other specific equipment needed for operations*

## General principles

- Second-hand equipment is eligible (under conditions, Del. Reg. 481/2014), unless decided otherwise by the programme
- Depreciation is eligible (under conditions, Art. 69 CPR)

# Infrastructure and works

## Rules on eligibility of infrastructure expenditure

- Covers costs related to investments in infrastructure that do not fall into the scope of other budget lines
- Some general rules defined in CPR 1303/2013; e.g., purchase of land, durability of operations
- No specific rules defined in the Del. Reg. 481/2014

**See the fact sheet on the budget line "Infrastructure and works"**

# Ineligible expenditure: non-exhaustive list

## Art. 69, CPR 1303/2013

- Interest on debt
- Purchase of land not built on and land built on in the amount exceeding 10 % of the total eligible expenditure
- Recoverable VAT

## Delegated Regulation 481/2014

- Fines, financial penalties, expenditure on legal disputes and litigation
- Costs of gifts (except gifts not exceeding EUR 50, related to promotion, communication, publicity or information)
- Costs of fluctuation of foreign exchange currency



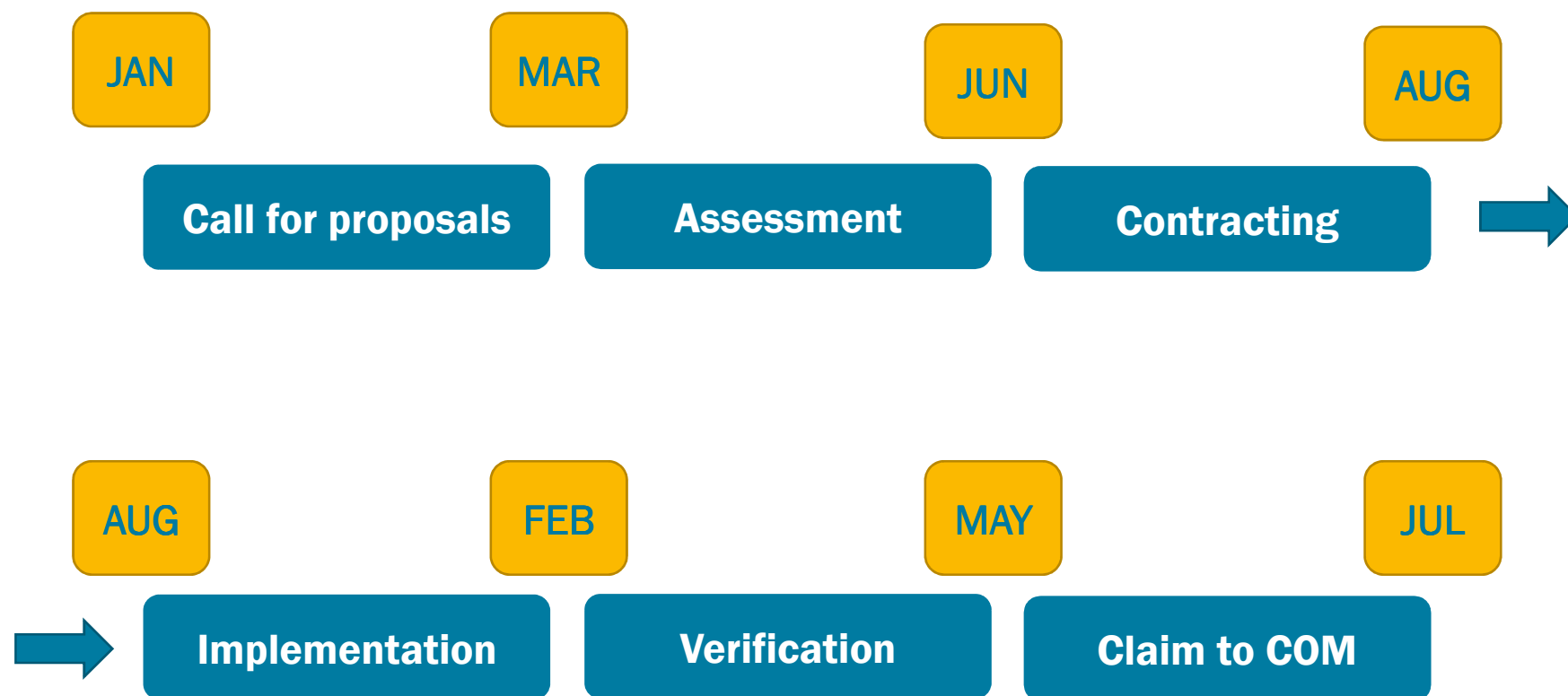
# Planning cash flow at the programme level

Elements to be taken into account:

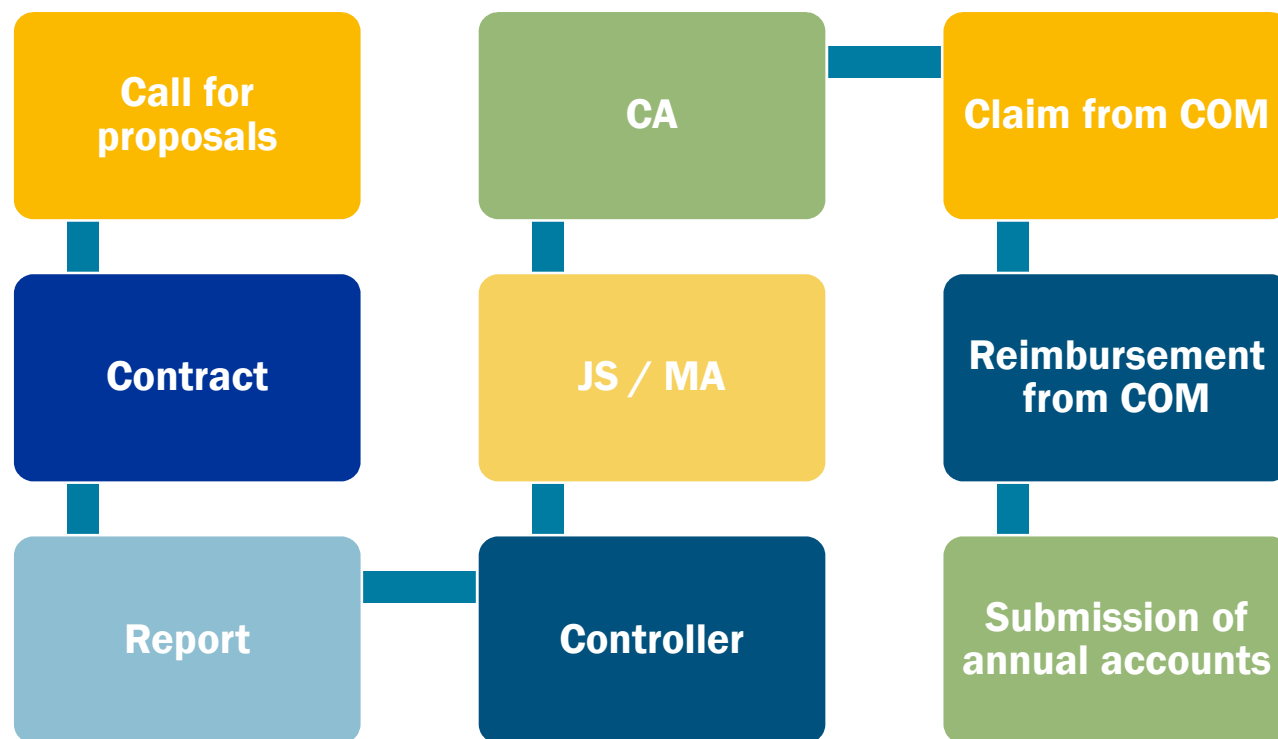
- Spending per priority axis (targeted calls, changes of Operational Programme, waiting list of projects)
- Spending per calendar year (additional calls, interim project reports)
- Avoiding decommitment
- Ensuring programme liquidity (claims from COM and getting reimbursement on regular basis, bridging the 10% of funds claimed and not reimbursed)



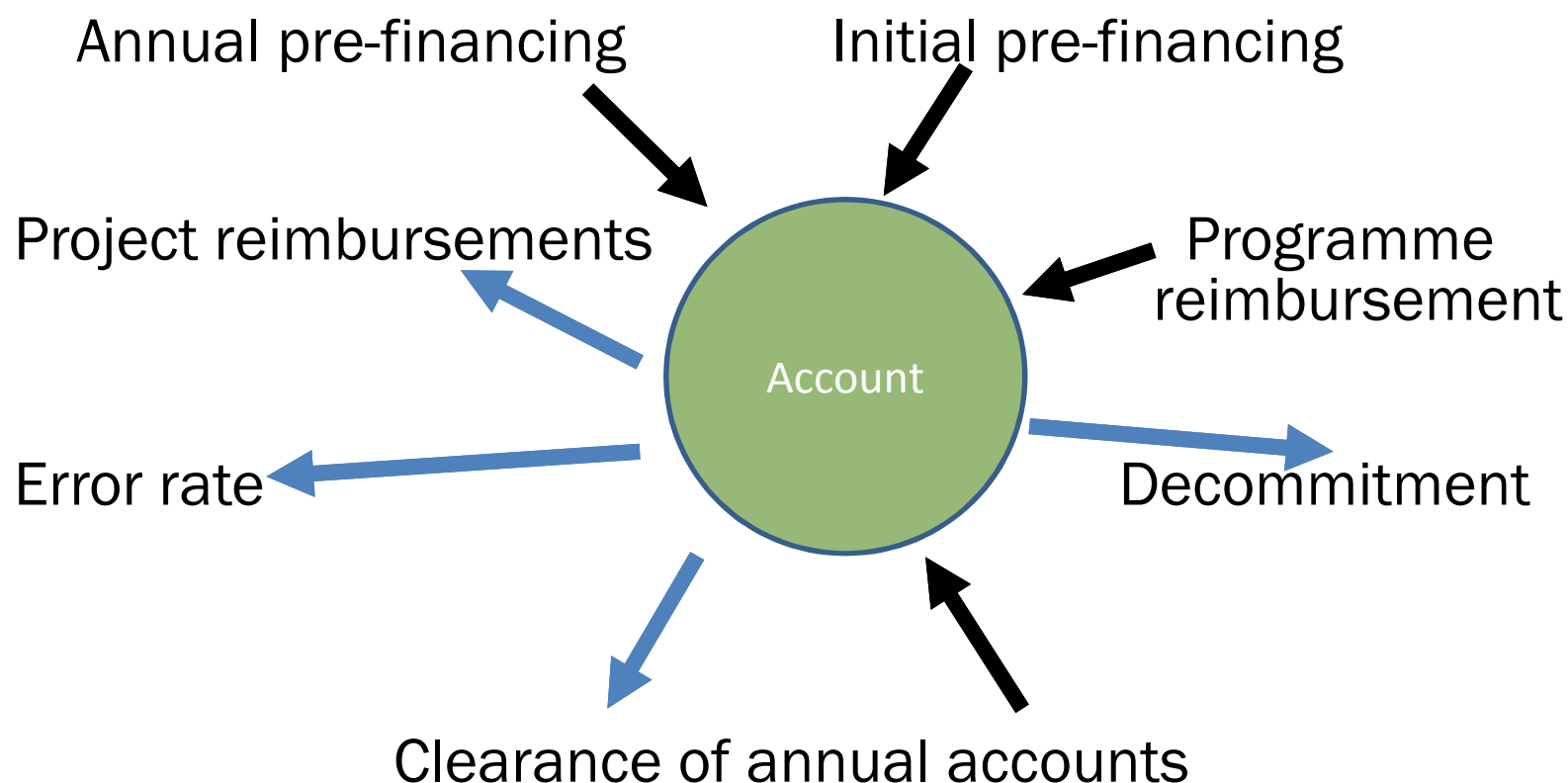
# Timing of processes



# Processes to get reimbursement from COM



# Cash flow at programme level



# Cooperation works

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All materials will be available on:

**[www.interact-eu.net](http://www.interact-eu.net)**