

Staff costs in Interreg Alpine Space

14 | 20

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A map of Central Europe showing the borders and names of French, German, and Italian regions. The map is oriented with North at the top. The French regions shown are Alsace, Franche-Comté, Rhône-Alpes, Provence-Alpes-Côte d'Azur, and parts of Bourgogne and Lorraine. The German regions shown are Baden-Württemberg (Freiburg, Tübingen, Stuttgart), Bavaria (Oberbayern, Niederbayern), Austria (Tirol, Vorarlberg, Salzburg, Kärnten, Steiermark, Burgenland), and Saxony (Freiburg, Tübingen, Stuttgart). The Italian regions shown are Valle d'Aosta, Piemonte, Liguria, Lombardia, Trentino-Alto Adige (Trento, Bolzano), Veneto, Friuli Venezia Giulia, and parts of Emilia-Romagna and Marche. The map uses a color-coded system: French regions are light blue, German regions are light green, and Italian regions are light orange. The borders between these countries are marked with thick black lines. The map also shows the borders of Switzerland (NW-Schweiz, Zentral-Schweiz, Ostschweiz) and Liechtenstein. The map is titled 'GERMANY' at the top, 'FRANCE' on the left, and 'ITALY' at the bottom right.

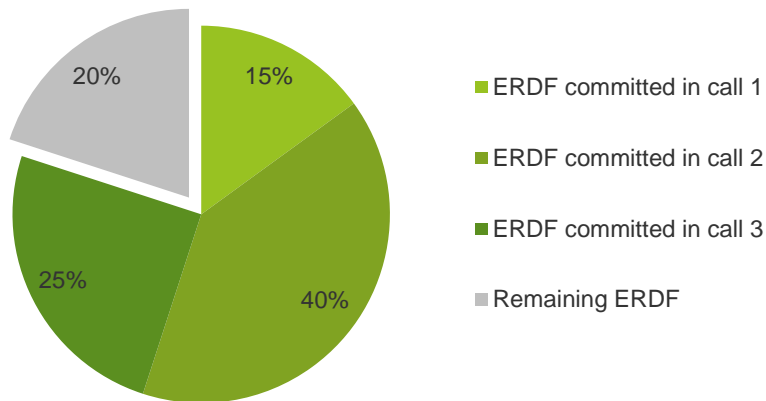
- Interreg Transnational Programme
- 7 Partner States (5 EU member and 2 non-EU member)
- 34 (NUTS II) regions
- 450.000 km²
- 70 million inhabitants
- 3 calls launched → 49 projects
- 4th call → September 2018
- Overlapping with macro-regional strategy - EUSALP
- 4 priorities



WELL-GOVERNED

Financial overview

Total ERDF per call



ERDF budget

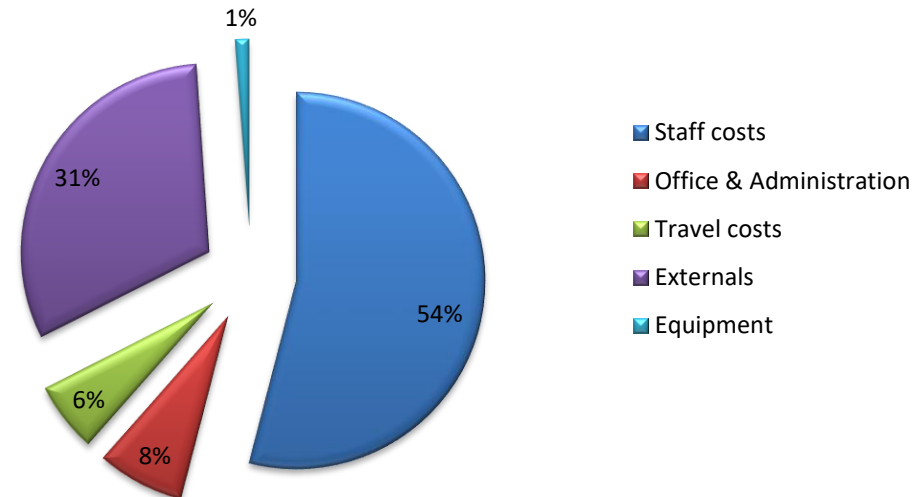
Total ERDF
€ 109,637,339
ERDF committed in call 1, 2 and 3
€ 87,397,775
Remaining ERDF
€ 22,239,564



Budget lines

- Staff costs
 - Based on real costs (fixed %)
 - Flat rate
- Office and administration → flat rate
- Travel and accommodation
- External expertise
- Equipment

Planned costs of approved projects per budget line



(source eMS)



Fixed percentage method– background

- Experiences from previous periods → timesheets!
Experience with ASP II projects showed that mistakes in timesheets were a major source of error.
- OUR AIM: the simplification of staff costs reporting! The reduction of error rate!
- Only **one option** was selected – the fixed percentage. Why?
- To encourage (oblige) the use of this method
- To ensure simplification (more methods --> more rules = not simplification)
- Harmonization of approach on all levels
 - Among countries
 - On the level of PP, FLC, JS, MA, SLC
- DECISION PROCESS → PC decision



Fixed percentage method– Why?

- Most simple method→ no working time registration is needed
- Expectation:
 - → time saving: less documents, less calculations, less reporting
 - → to reduce the risk of findings

The work load related to the documentation and the reporting (on the level of the beneficiary) as well as the first level control and any other control/audit (e.g. MA check, second level control) is low.

In case of a full-time assignment, 100% of the staff costs can be co-financed and no further calculation is necessary for the beneficiary.



Calculation method

Based on **two programme documents**

Project assignment => **defines the eligible share of staff costs**

Full time assignment on the project: 100% of the gross employment costs are eligible.

Part-time assignment on the project: The gross employment costs multiplied by the fixed percentage worked on the project are eligible.

Six-monthly-task report => **defines the share of eligible staff costs to report per WP**

Description of activities and outputs achieved on WP level,

Estimated % of work per each work package,

CONDITIONS:

Costs are actually paid out and proofed


Costs are calculated individually for each staff member


Duration of the assignment → strong programme recommendation => 6 months minimum



Six-monthly task report

- Individual report for each employee
- The programme developed the model report (minimum requirements)
- Shall be set up for each single assignment issued (the same % extent)
- Shall correspond to the project periods indicated in the AF
- Is filled in after the end of reporting period





14 | 20

Six-monthly task report (per assignment)

1. Identification of project, project partner and employee

Interreg Programme	Interreg Alpine Space 2014-2020
Project acronym	
Name of project partner (employer)	
Name of employee	
Date of assignment (dd/mm/yyyy)	
Period of project assignment (dd/mm/yyyy)	-
Extent of assignment (in %)	

2. Reporting period¹

From: (dd/mm/yyyy)	To: (dd/mm/yyyy)
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3. Details per work package

WP No.	Description of activities implemented in this reporting period including information on the contribution of the employee to the outputs and deliverables achieved for each work package involved in	Estimated extent of involvement (in %)
Total		100 %

¹ The reporting period indicated shall correspond with the respective one in the application form (the first and last reporting period might therefore not be equivalent to six months).

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This programme is co-financed by the European Regional Development Fund.



Support to partners, controllers

- Several guidance developed:
 - How to fill in assignment
 - How to fill in six-monthly task report
 - Methodology for estimation of the %
- FAQ section
- Excel tool developed to calculate amounts to report in the eMS
- Support at events:
 - LP seminars, get started seminars, kick-offs, info days, FLC events!
- MA sample checks focused on staff costs → feedback given (aim = check and improve the process)
- Feedbacks from PP/FLC → improvements (e.g. simplification of some documents)



Positive experience

- Harmonization of the approach – unified methodology
- Simplification → yes when used correctly!
- Less work load for PP and FLC
- Easy to calculate and to report in the eMS
- Easy to check if the amounts are correct (e.g. excel calculation tool)
- Less documentation (more simple audit trail)
- Findings: yes – but not many financial corrections needed (MA sample check)



Shortcomings

- New logic → difficult for PP and FLC to understand that reported % do not need to correspond to actual work
- PP are dividing it down on shorter periods → NOT SIMPLIFICATION!
- FLC do not know how (do not want?) to check plausibility:
 - the solution: timesheets!
- **Difficult to combine with other methods**
- **Issue: internal accounting systems**
- **MOST COMMON ERRORS:**
 - Different % of estimated work in both documents;
 - No methodology on how % was estimated (evidence 1 for plausibility check);
 - Poor description of activities in task report (evidence 2 for plausibility check).



What is next?

- More positive than negative experience – simple method!
- Use of two separate documents. Can this be simplified even more?
- Necessary steps:
 - Harmonization among the programmes
 - **Is fixed percentage the method we should all adopt?**



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