

Omnibus regulation

MA, JS and National Controllers: Cooperating
towards more effective management
verifications

24 October 2018

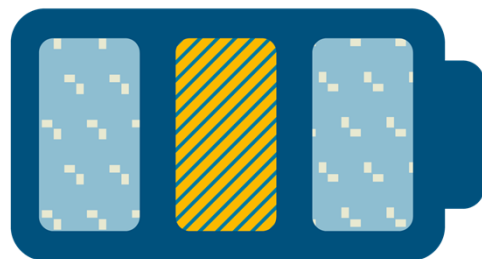
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Omnibus regulation

eligibility of expenditure



**Regulation
2018/1046
of 18 July 2018**

**It shall apply from 2
August 2018 with a
few exceptions (for
example the net
revenue cap)**

Omnibus regulation

- Amends the existing Financial regulation
 - sets out the overall framework for budget management.
- Changes include:
 - Extension of the use of simplified cost options.
 - Further focus on results rather than tracking the actual costs incurred.
 - Cut the red tape for all those involved in the implementation of the EU budget.
 - Single checks and assessments
 - EC will not ask for the same information twice anymore.

Omnibus regulation (continued)

- Simpler rules for the combination of funding resources
 - Easier to combining financing from EU structural funds with financial instruments and the European Fund for Strategic investments through so-called "blending"
- Single rulebook – consolidating the financial regulations rules of application
- Easier to use EU structural funds for the integration of migrants and refugees

What is available?

Individual setting-up of SCOs

Art. 67, CPR (Omnibus)

- Standard scales of unit costs
- Lump sums
- Flat rates
- *Milestone achievements, disconnected from any costs*

Individual setting-up of SCOs

Art. 67, CPR (Omnibus), text (applicable as of 02 August 2018)

1. Grants and repayable assistance may take any of the following forms:

- (a) reimbursement of eligible costs actually incurred and paid, together with, where applicable, contributions in kind and depreciation;
- (b) standard scales of unit costs;
- (c) lump sums ~~not exceeding EUR 100 000 of public contribution;~~
- (d) flat-rate financing, determined by the application of a percentage to one or more defined categories of costs.

Individual setting-up of SCOs

Art. 67, CPR (Omnibus), text cont. (applicable as of 02 August 2018)

(e) financing which is not linked to costs of the relevant operations but is based on the fulfilment of conditions related to the realisation of progress in implementation or the achievement of objectives of programmes as set out in the delegated act adopted in accordance with paragraph 5a.

Fund-specific rules may limit the forms of grants or repayable assistance applicable to certain operations.

For the form of financing referred to in point (e) of the first subparagraph, the audit shall exclusively aim at verifying that the conditions for reimbursement have been fulfilled.

Individual setting-up of SCOs – HOW?

Art. 67, CPR (Omnibus)

- Own calculation (fair, equitable, verifiable): historical or statistical data, objective information, *expert knowledge*, usual practices of project partners
- *Draft budget on a case-by-case basis and agreed ex ante by MA, if less than 100.000 ERDF*
- SSUC, lump sums, flat rate applicable in other EU programmes, e.g. H2020, or national programmes
- Rates from CPR or other Fund-specific rules
- Specific methods for determining amounts established in accordance with Fund-specific rules

Individual setting-up of SCOs – HOW?

Art. 67, CPR (Omnibus), text (applicable as of 02 August 2018)

5. The amounts referred to in points (b), (c) and (d) of the first subparagraph of paragraph 1 shall be established in one of the following ways:

(a) a fair, equitable and verifiable calculation method based on *any of the following*:

(i) statistical data, ~~or~~ other objective information *or an expert judgement*;

(ii) the verified historical data of individual beneficiaries; or

(iii) the application of the usual cost accounting practices of individual beneficiaries;

Individual setting-up of SCOs – HOW?

Art. 67, CPR (Omnibus), text cont. (applicable as of 02 August 2018)

(aa) a draft budget established on a case-by-case basis and agreed ex ante by the managing authority, or in the case of EAFRD the authority responsible for the selection of operations, where the public support does not exceed EUR 100 000

(b) in accordance with the rules for application of corresponding scales of unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation and beneficiary;

(c) in accordance with the rules for application of corresponding scales of unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

Individual setting-up of SCOs – HOW?

Art. 67, CPR (Omnibus), text cont. (applicable as of 02 August 2018)

(d) rates established by this Regulation or the Fund-specific rules;

(e) specific methods for determining amounts established in accordance with the Fund-specific rules.

5a. The Commission is empowered to adopt delegated acts in accordance with Article 149 supplementing this Regulation with regard to the definition of the standard scales of unit costs or the flat-rate financing referred to in points (b) and (d) of the first subparagraph of paragraph 1 of this Article, the related methods referred to in point (a) of paragraph 5 of this Article and the form of support referred to in point (e) of the first subparagraph of paragraph 1 of this Article, by specifying detailed modalities concerning the financing conditions and their application.

Staff costs – 1720 hours in Omnibus

Art. 68a, Omnibus Reg.

An hourly rate may be calculated by dividing the latest documented annual gross employment cost by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part time.

Where annual gross employment costs are not available, they may be derived from the available documented gross employment costs or from the contract for employment, duly adjusted for a 12-month period.

Staff costs – Flat rate in Omnibus

Art. 68b, Omnibus Reg.

A flat rate of up to 40% of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation.

- cannot be applied to staff costs calculated on the basis of a flat rate.

“Off the shelf”

Art. 19, ETC

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

Art. 68a. CPR (Omnibus)

[...] Member States shall not be required to perform a calculation to determine the applicable rate provided that the direct costs of the operation do not include public works contracts which exceed in value the threshold set out in point (a) of Article 4 of Directive 2014/24/EU

(applicable as of 02 August 2018)

Eligibility – Net revenue

Omnibus Article 272(27(a)(i) – (CPR Article 65)

OBS!
For Interreg; operations
means project.

- operations for which the total eligible cost does not exceed EUR 100.000 (~~50.000~~)

(applicable as of 01 January 2014!)

What do programmes do?

What do programmes do?

Limited application of SCOs for staff costs

- 20%: not fitting (to low), applicable if no employees?, uncertainty of public procurement limitation
- Other flat rates: anybody?
- Lump sums & milestone achievements: n/a
- Standard scale of unit costs: not many, but they exist...

Cooperation works

All materials will be available on:

www.interact-eu.net

Entry into force and application

Article 282