HIT Reporting package

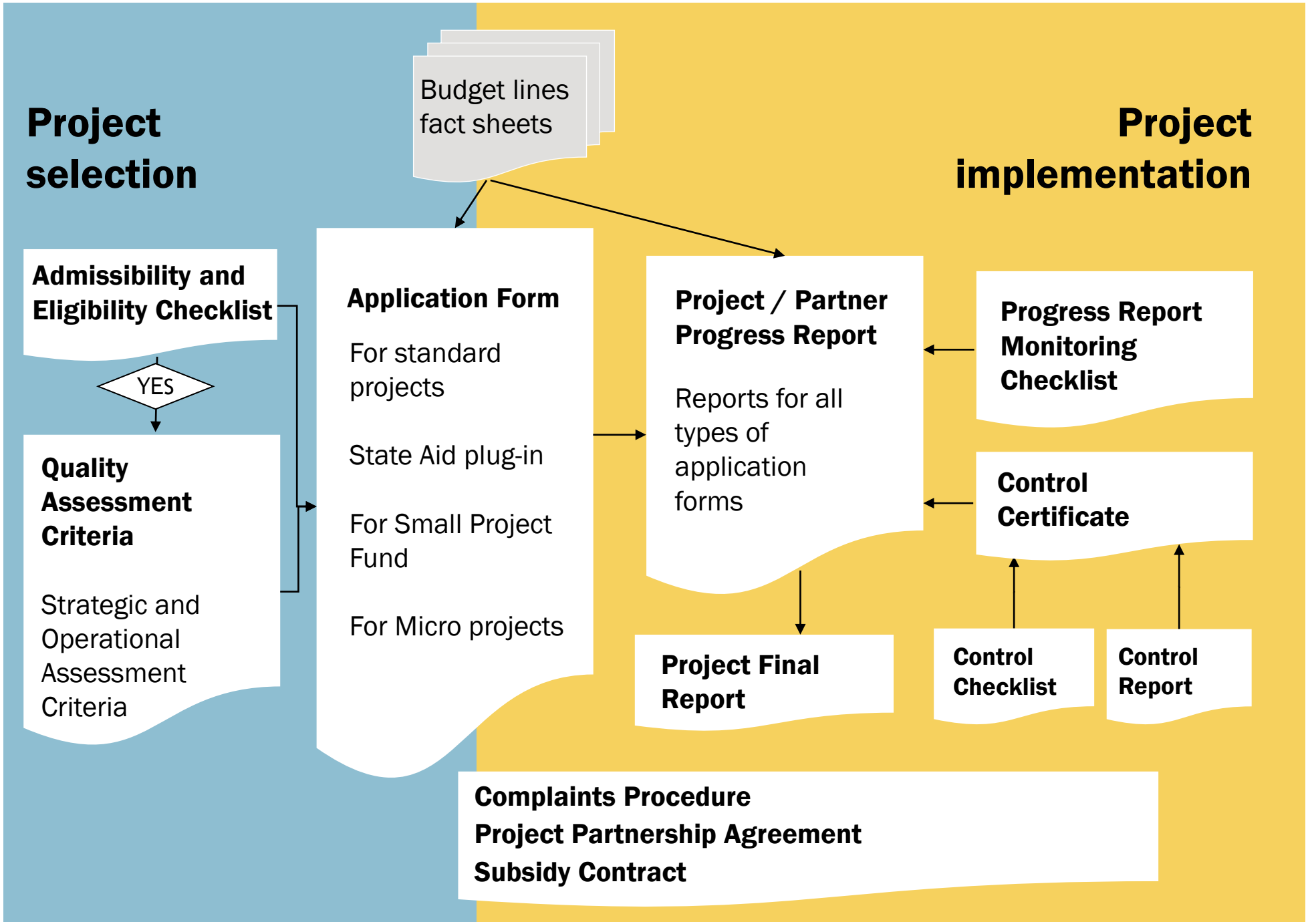
National Control (FLC) Workshop

9 December 2020 I Online

Interact

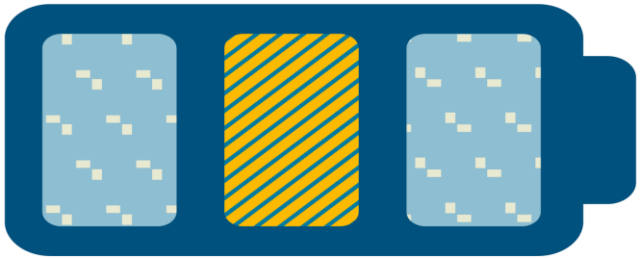
Interreg HIT 2021–2027

European Regional Development Fund


Project selection
Budget lines fact sheets
Project implementation
Admissibility and Eligibility Checklist
YES
Quality Assessment Criteria
Strategic and Operational Assessment Criteria
Application Form
For standard projects
State Aid plug-in
For Small Project Fund
For Micro projects
Project / Partner Progress Report
Reports for all types of application forms
Progress Report Monitoring Checklist
Control Certificate
Project Final Report
Control Checklist
Control Report
Complaints Procedure
Project Partnership Agreement
Subsidy Contract

Logic of the finance reporting templates

List of expenditure -> Partner finance report -> Project finance report



Logic of the finance reporting templates

List of expenditure

- All expenditure is reported in here.
- So is all the deductions, verifications and supporting documents.

Partner finance report

- Financial overview on partner level.
- Current report, previous report.

Project finance report

- Financial overview on project level.
- All information here comes from somewhere else.
- Application form, partner report, list of expenditure.

List of expenditure

HIT 2021 - 2027

List of expenditure - proposal

Project title	Pre-filled from Application Form
Project acronym	Pre-filled from Application Form
Project number	Pre-filled from Application Form
Reporting period	(DD.MM.YYYY-DD.MM.YYYY)

Name of partner	Pre-filled from Application Form
Partner ID	Pre-filled from Application Form
Legal status (dropdown)	Pre-filled from Application Form
Type of partner	Pre-filled from Application Form
Co-financing source (dropdo	Pre-filled from Application Form
Co-financing rate	Pre-filled from Application Form
The partner organisation can recover VAT for activities implemented in	YES/NO/partially Pre-filled from Application Form
Local currency	Pre-filled from Application Form
Conversion rate	Automatically added, not possible to change for the partner

Mattias Assmundson: Added local currency and conversion rate. Automatically added in column "O"

EXPLANATORY NOTES

Conversion rate	For expenditure incurred in a currency other than Euro, the *Amount declared in the original currency* is automatically converted into Euro according to a method chosen by the programme, in line with Article 28 ETC Regulation. The relevant monthly exchange rate of the Commission used to convert the amount into Euro is displayed in the table.
Expenditure outside (the Union part of) the programme area	For each expenditure item, it must be identified if the cost was borne in relation to activities carried out outside (the Union part of) the programme area. This column applies to partners co-financed from ERDF only. In case of programmes using other funds (IPA II, ENI, ERDF equivalent), similar information may be required, depending on the eligibility rules of the respective fund.

If a flat rate financing is used under the Staff costs budget line, the total staff cost is calculated automatically (*Declared amount in EUR* , *Amount certified (FLC)* , *Amount approved (LP)* , *Amount approved (JS)* , *Amount approved (MA)* , *Amount certified (CA)*), based on the flat rate defined by the programme (percentage set in the system). In addition, sub-total amounts per WP and sub-total outside (the Union part of) the programme area) are calculated automatically.
If a flat rate applies to the Office and administration budget line, the total cost and sub-total amounts are calculated automatically, based on the flat rate defined by the programme.
Similarly, if a flat rate applies to the Office and administration budget line, the total cost and sub-total amounts are calculated automatically, based on the flat rate defined by the programme

Mattias Assmundson: To be used for countries with a validation body only (PT+ES). Tick box.

Mattias Assmundson: Optional

Mattias Assmundson: Possibility to duplicate in case of several corrections to the same expenditure

	PARTNER SECTION *(to be filled in by the partner)*															Management Verification SECTION *(to be filled in by National Control)*								
Budget line (dropdown)	Sequence no.	Investment no. (dropdown)	Internal reference no.	Invoice no. (Invoice, pay slip or other financial documents given by the supplier)	Invoice date (payslip date for staff costs)	Date of payment	Description	Comment (PP)	Currency	Total value of the invoice in the original currency	VAT	Declared amount in the original currency	Conversion rate	Declared amount in EUR	Supporting documents (upload function)	Amount verified (NC) (YES/NO) + option "tick all"	Amount deducted (NC)	Amount certified (NC)	Validation body	Typology of error	Comment (NC)	Correction items (dropdown)	Corrections made by (dropdown)	Se
Staff costs	1						Function, Name, Type						automatically from EU	automatically										
	2																							
	3																							
	4																							
	5																							
	n																							
Total													EUR				EUR	EUR				Total		
Staff costs - flat rate																								
Total														EUR				EUR						
Other - flat rate (Staff costs *40%)																								
Total														EUR				EUR						
Office and administration - flat rate																								
Total														EUR				EUR						

Mattias Assmundson: added for Staff * 40% flat rate

Colour coding | PART B. Project Finance Report | PART B. Partner Finance Report | List of expenditure | List of expenditure Old | Deleted parts

List of expenditure

Mattias Assmundson: The National control section will also be used by JS/MA certifying SCOs

Mattias Assmundson: To be used for countries with a validation body only (PT+ES). Tick box.

Mattias Assmundson: Optional

Mattias Assmundson: Possibility to duplicate in case of several corrections to the same expenditure

Mattias Assmundson: Optional

National control SECTION *(to be filled in by National Control)*						Deduction items							
Amount verified (NC) (YES/NO) + option "tick all"	**Amount deducted (NC)**	**Amount certified (NC)**	**Validation body**	**Typology of error**	**Comment (NC)**	**Correction items** (dropdown)	**Corrections made by (dropdown)**	**Sequence no.**	**Amount declared**	**Amount deducted**	**Amount certified**	**Typology of error**	**Comment**
								1	*automatically from column "O"*		*automatically*		
								2	*automatically*		*automatica*		
								3	*automatically*		*automatica*		
								4	*automatically*		*automatica*		
								5	*automatically*		*automatica*		
								n	*automatically*		*automatica*		
	EUR	*EUR*				**Total**							
		EUR											

National Control section

Mattias Assmundson:
Optional

Mattias Assmundson:
The National control section will also be used by JS/MA certifying SCOs

National control SECTION *(to be filled in by National Control)*				
Amount verified (NC) (YES/NO) + option "tick all"	**Amount deducted (NC)**	**Amount certified (NC)**	**Typology of error**	**Comment (NC)**
	EUR	*EUR*		
		EUR		

We propose to keep this section as it was before but with the following small changes:

- Section renamed: National control section
- To be filled in by National Control and JS/MA when certifying SCOs

Deduction items

Mattias Assmundson:
Possibility to duplicate in case of several corrections to the same expenditure

Mattias Assmundson:
Optional

Deduction items							
Deduction items (dropdown)	**Deductions made by (dropdown)**	**Sequence no.**	**Amount declared**	**Amount deducted**	**Amount certified**	**Typology of error**	**Comment**
		1	*automatically from column "O"*		*automatically*		
		2	*automatically*		*automatica*		
		3	*automatically*		*automatica*		
		4	*automatically*		*automatica*		
		5	*automatically*		*automatica*		
		n	*automatically*		*automatica*		
Total							

The following logic will apply:

- Section named: Deduction items
- If the same expenditure is corrected more than once, than the line will be duplicated to indicate the changes.
- Deductions made by, can be done by LP/JS/MA.
- Typology of error is optional.

A proposal put forward for HIT is to not allow Lead Partners to make deductions but rather go back to the project partner and find an agreement.

What does national control thing about this?

Discussion

- It seems that only a few programmes currently allow for lead partners to make direct corrections to expenditure reported by project partners.

- In general, national controllers seem to be in favour of not giving the lead partner the right to correct expenditure reported by project partners, but to “send” the report back.

Two added cost categories

Lump sums and Unit costs

Two additional cost categories…

Programme defined lump sums (using only 1 budget line)

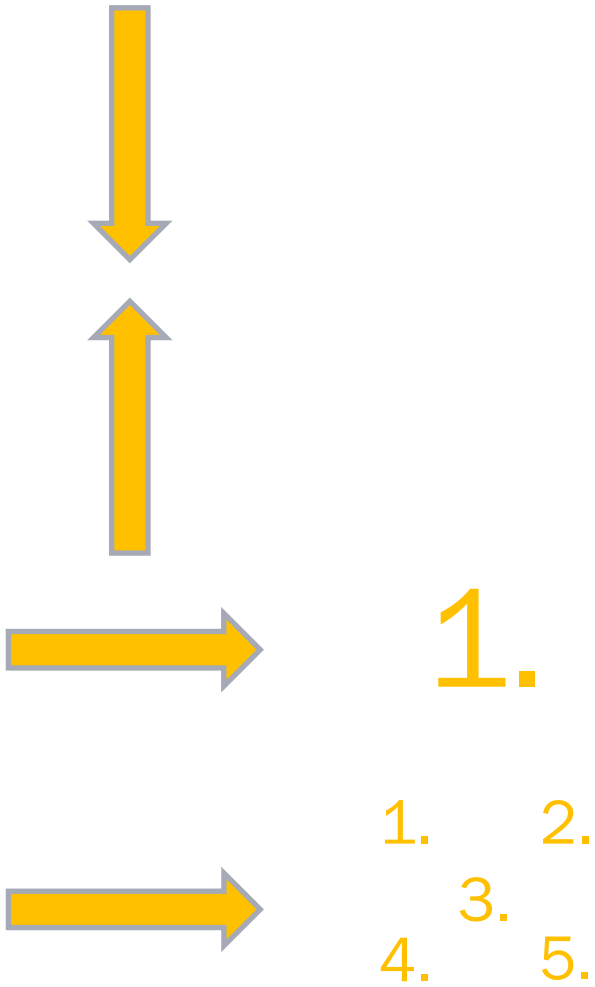
Partner	Funding	Staff	Office &Adm	Travel &Acco	External expertise	Equip.	Infra & Works	Lump sums	Unit costs	Total Eligible budget
PP1			Flat rates: O&A – 15% on direct staff costs T&A - 15% on direct staff costs							
PP2										
PP3										
Total										

Reporting - Lump sums

HIT 2021 – 2027

Terminology

- Top-down lump sums
  - Programme implemented
- Bottom-up lump sums
  - Project suggested
- Project level lump sums
  - Lump sums allocated to one project partner
- Partner share lump sums
  - Lump sums allocated to several project partners



Project level and partner share lump sums

1. How to deal project level lump sums

2. How to deal partner share lump sums

1.

1. 2.
3.
4. 5.

Project level lump sums

In the HIT reporting package

Project level lump sums

1. How to deal with project level lump sums

1.

Midterm review lump sum

- A programme have developed a lump sum for midterm reviews.

- The lump sum covers the average costs for the projects in their programme to come to the JS for a midterm review. (Staff, O&A, and Travel expenses)

- The time for this meeting is already defined in the subsidy contract and no other costs is possible for the project to report during this period.

Project lump sum summary (application form)

	Programme Lump sum	ERDF	Quantity	Total Eligible Costs	Description
1.	Midterm review	1.500€	1	2.000€	Midterm review
2.					
3.					

Project level lump sums (application form)

Partner	Funding source	Full (TEC)	Share (TEC)	Co-financing rate
PP1	ERDF		2.000€	75%
PP2	ERDF		0€	75%
PP3	ERDF		0€	75%
PP4	Norway		0€	50%
	Total:	**2.000€**	**2.000€**	

Lead partner expenditure – breakdown per lump sum

B.3.2 Partner expenditure - breakdown per lump sum

column Current report automatically filled in from List of expenditure

Pre-defined Programme Lump Sum	Partner total budget per lump sum	Previously reported	Current report	Total reported so far	% of Total reported so far	Remaining budget
Midterm review	2.000€	0€	2.000€	2.000€	100%	0€
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
PARTNER TOTAL ELIGIBLE EXPENDITURE						

Project expenditure – breakdown per lump sum

Pre-defined Programme Lump Sum	Project total budget per lump sum	Previously reported	Current report	Total reported so far	% of Total reported so far	Remaining budget
Midterm review	2.000€	0€	2.000€	2.000€	100%	0€
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
PARTNER TOTAL ELIGIBLE EXPENDITURE						

What will be the payment trigger?

1. Joint Secretariat / Managing Authority indicates the fulfillment of the conditions, certifies the amount and trigger the payment.

2. National control certifies the expenditure after Joint Secretariat / Managing Authoirty indicates the fulfillment of the conditions have been met.

Partner share lump sums

In the HIT reporting package

Partner share lump sums

1. How to deal with partner share lump sums?

1. 2.
3.
4. 5.

Project lump sum summary (application form)

	Programme Lump sum	ERDF	Quantity	Total Eligible Costs	Description
1.	Midterm review	1.500€	1	2.000€	Midterm review
2.					
3.					

Partner share lump sums (application form)

Partner	Funding source	Full (TEC)	Share (TEC)	Co-financing rate
PP1	ERDF		1.000€	75%
PP2	ERDF		500€	75%
PP3	ERDF		250€	75%
PP4	Norway		250€	50%
	Total:	**2.000€**	**2.000€**	

1.3 Project Partner 1: lump sum summary (application form)

	This section indicates what cost categories each lump sum includes (automatic)	Staff costs	O&A	T&A	External expertise	Equip	Infra & Works
		☐	☐	☐	☐	☐	☐
	Pre-defined Programme lump sum	ERDF Cost		Quantity	Total Eligible costs	Description	
1.	Midterm review	750€		1	1.000€	Midterm review	
2.							
3.							

PP1 - Partner expenditure – breakdown per lump sum

B.3.2 Partner expenditure - breakdown per lump sum

column Current report automatically filled in from List of expenditure

Pre-defined Programme Lump Sum	Partner total budget per lump sum	Previously reported	Current report	Total reported so far	% of Total reported so far	Remaining budget
Midterm review	1.000€	0€	1.000€	1.000€	100%	0€
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*		*automatically calculated*	*automatically calculated*	*automatically calculated*
PARTNER TOTAL ELIGIBLE EXPENDITURE						

Project expenditure – breakdown per lump sum

Pre-defined Programme Lump Sum	Project total budget per lump sum	Previously reported	Current report	Total reported so far	% of Total reported so far	Remaining budget
Midterm review	2.000€	0€	2.000€	2.000€	100%	0€
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
pre-filled from AF	*pre-filled from AF*	*pre-filled from previous reporting periods*	*automatically calculated from list of expenditure*	*automatically calculated*	*automatically calculated*	*automatically calculated*
PARTNER TOTAL ELIGIBLE EXPENDITURE						

What will be the payment trigger?

1. Joint Secretariat / Managing Authority indicates the fulfillment of the conditions, certifies the amount and trigger the payment.

2. National control certifies the expenditure after Joint Secretariat / Managing Authoirty indicates the fulfillment of the conditions have been met.

How do you see the controls of SCOs in the future, rather at national controllers level or as a responsibility of MA/JS?

Discussion

- Currently, for some programmes, lump sums (e.g. Preparation costs) are verified at MA/JS level, others (e.g. Flat rates) are the responsiblity of national controllers.
- For the future, some controllers stated that they prefer the follow-up of SCOs to be their responsibility. However, when it comes to quality questions or the reality of deliberables, e.g. studies, a close(r) cooperation with the MA/JS is needed.

Cooperation works

All materials will be available on:

www.interact-eu.net