

# Terms of use

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# Eligibility rules

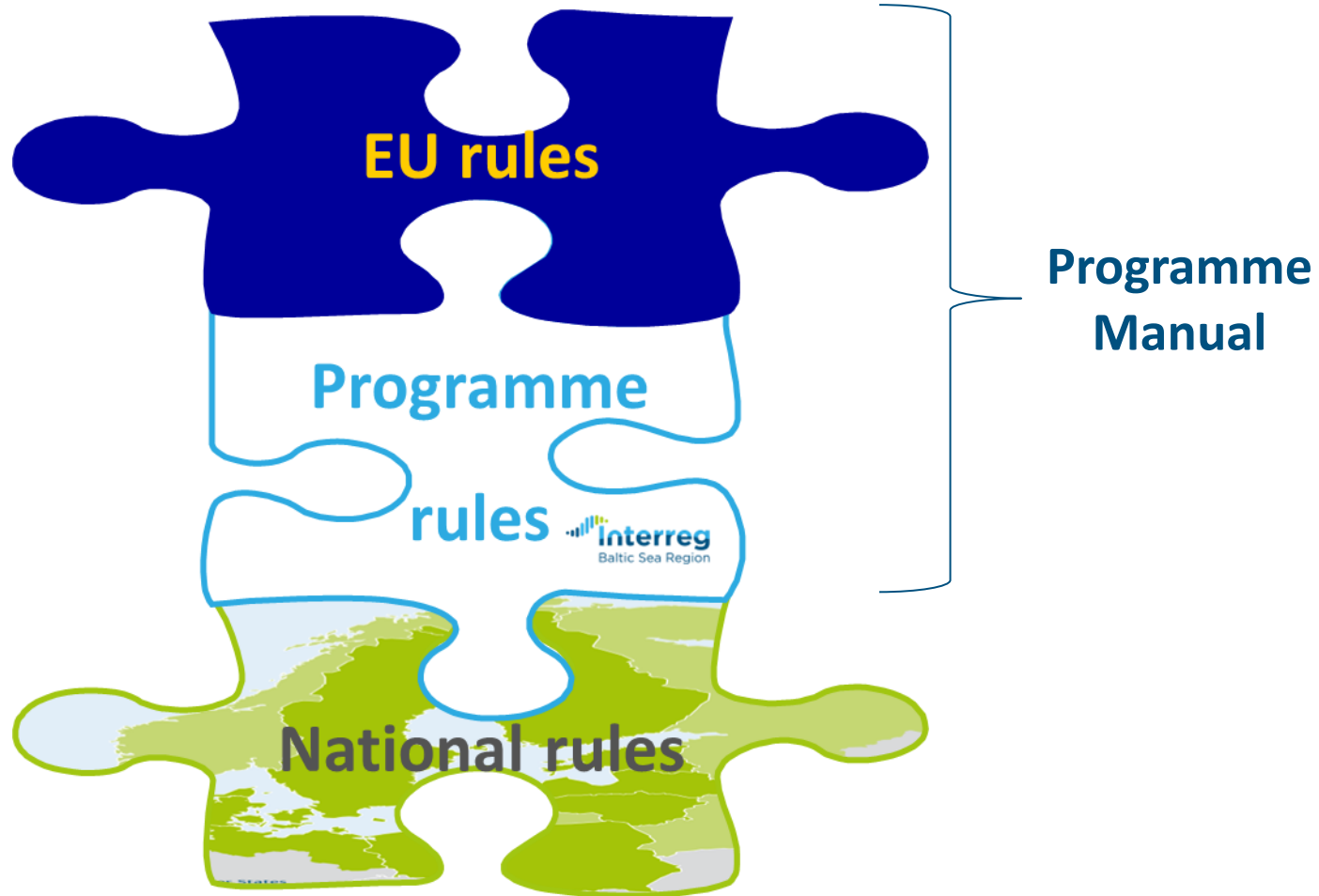
Financial seminar  
Hamburg | 23-24 & 30-31 January 2018  
Managing Authority/Joint Secretariat

# Content

1. Basics
2. Budget lines
3. Final remarks

# Basics

# Basics: Legal background & hierarchy of rules



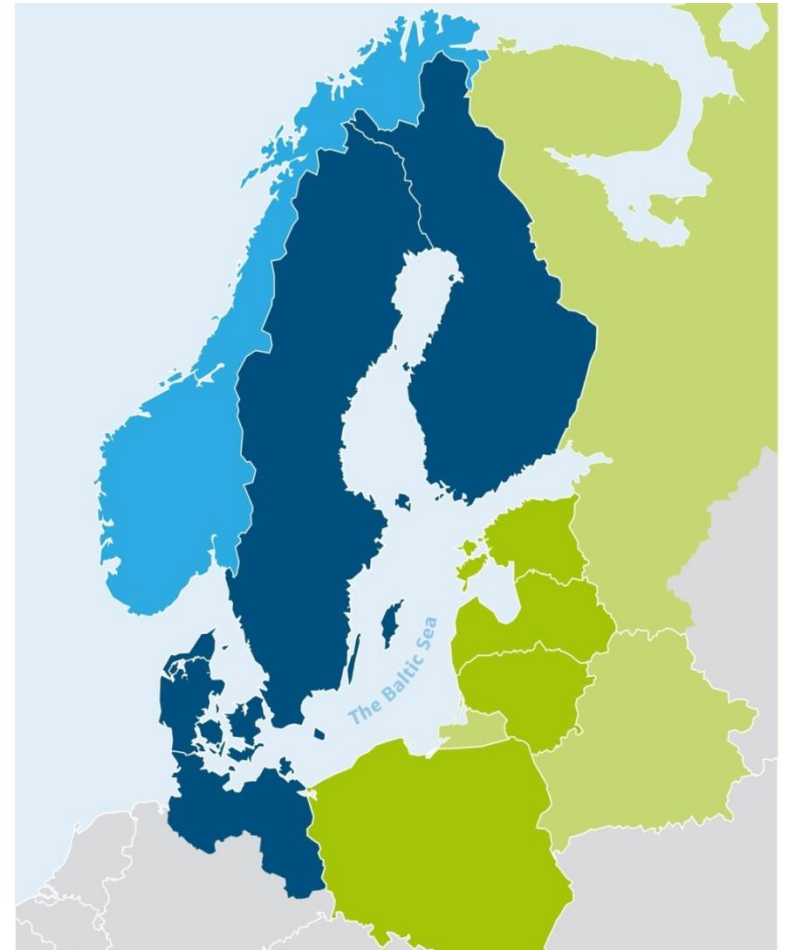
# Basics: Co-financing rates

Norway up to 50%

Denmark, Finland, Germany  
& Sweden up to 75%

Estonia, Latvia, Lithuania  
& Poland up to 85%

Russia up to 85%



# Basics: All cost must be ...

- ✓ essential
- ✓ paid by a project partner and non-recoverable (e.g. VAT)  
⇒ NO sub-partners ⇒ NO cost sharing
- ✓ paid in the eligible period  
⇒ reimbursement principle
- ✓ supported by relevant documents
- ✓ real costs  
(exceptions: unpaid voluntary work, simplified cost options, depreciation)
- ✓ in line with the principles: efficiency, economy/effectiveness

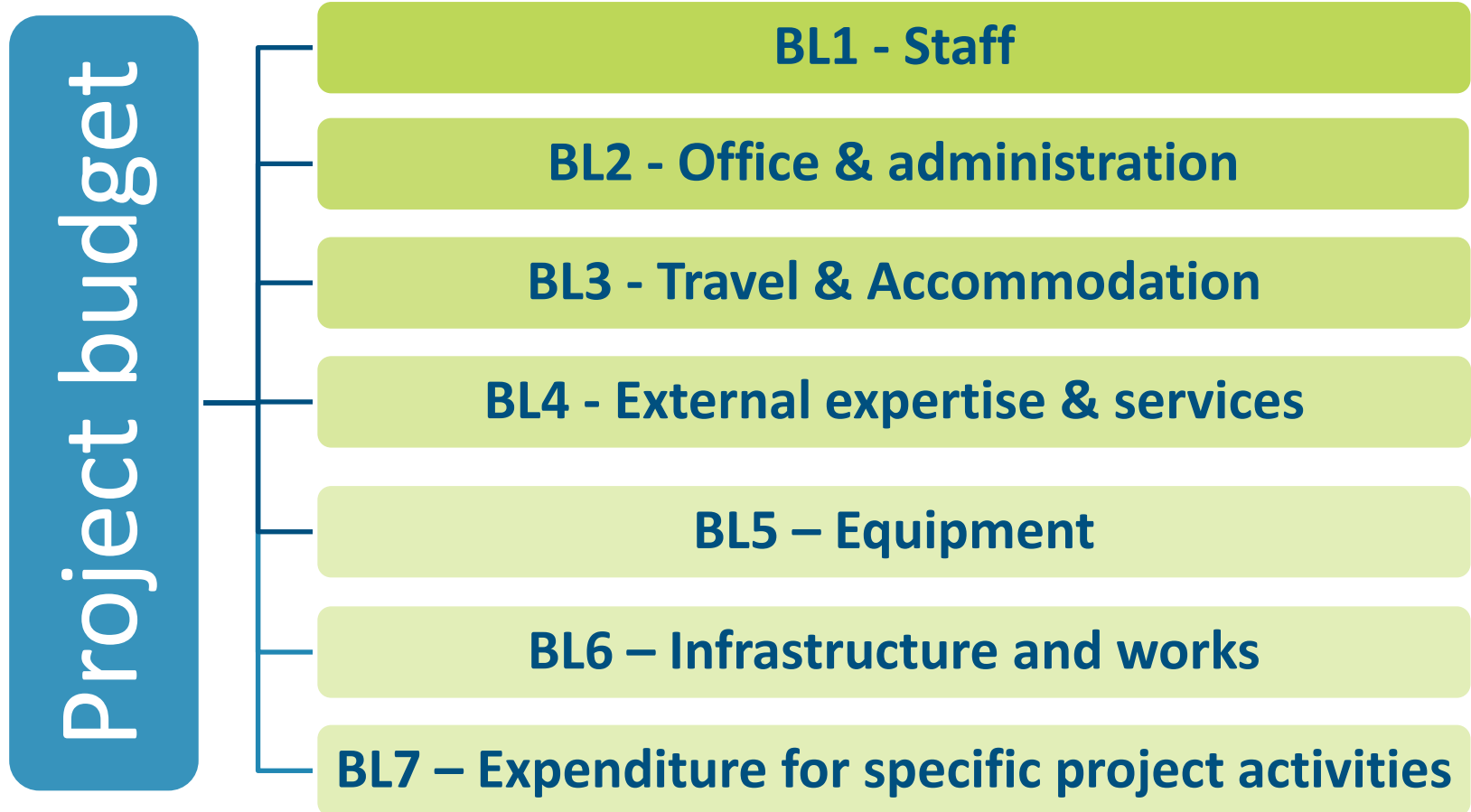
# Basics: Use of Euro & exchange rate

- ✓ All expenditure are reported in Euro
- ✓ For partners whose national currency  $\neq$  Euro:
  - ⇒ monthly exchange rate in the month during which the partner report is submitted to the FLC
  - ⇒ one exchange rate per reporting period only
  - ⇒ set in the partner report
- ✓ Monthly exchange rate acc. to the InforEuro webpage of the EC:  
[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/index\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/index_en.cfm)



# Budget lines

# Budget lines



## BL1 - Staff: Types

1. **Full-time and part-time staff**
2. **Unpaid voluntary work**

## BL1 - Staff: Full-time and part-time

Full time

Part-time

- ✓ Employed by partner organisation
- ✓ Formally engaged in project activities

**100%**  
of the employee's  
working time is  
spent for project  
work

**< 100%**  
of the employee's  
working time is  
spent for project  
work

## BL1 - Staff: Eligible costs

Full time

Part-time

### Gross employment costs

- ✓ Fixed in employment document or by law
- ✓ Non-recoverable
- ✓ Examples:
  - Salary
  - Other costs directly linked to the salary

## BL1 - Staff: Documentation

Full time

Part-time

- ✓ Employment document
  - ✓ Job description
- ✓ Documentation of gross employment costs
  - ✓ Payment proof
  - ✓ **Staff costs tool**

+ method specific documents

## BL1 - Staff: Calculation options

### Full time

- ✓ Full gross employment costs
- ✓ No timesheet needed

## BL1 - Staff: Calculation options

Part-time

### Fixed percentage of time worked per month

- ✓ Percentage fixed in employment document **in advance**
- 😊 No timesheet needed
- 😊 Simple calculation
- 😐 Over- or undercompensation possible



## BL1 - Staff: Calculation options

Part-time

### Calculated with a yearly hourly rate

- ✓ Annual gross employment costs of **previous 12 months** divided by 1,720 hours
- 😊 Only need to calculate it once
- 😐 Over- or undercompensation possible
- 😐 Timesheet needed

## BL1 - Staff: Calculation options

Part-time

### Calculated with a monthly hourly rate

- ✓ Monthly gross employment costs of actual month divided by **monthly working time set in employment contract**
- ☹ Timesheet needed
- ☹ Closest, but not equal to real costs
- ☹ Vacation and sick leave are not covered

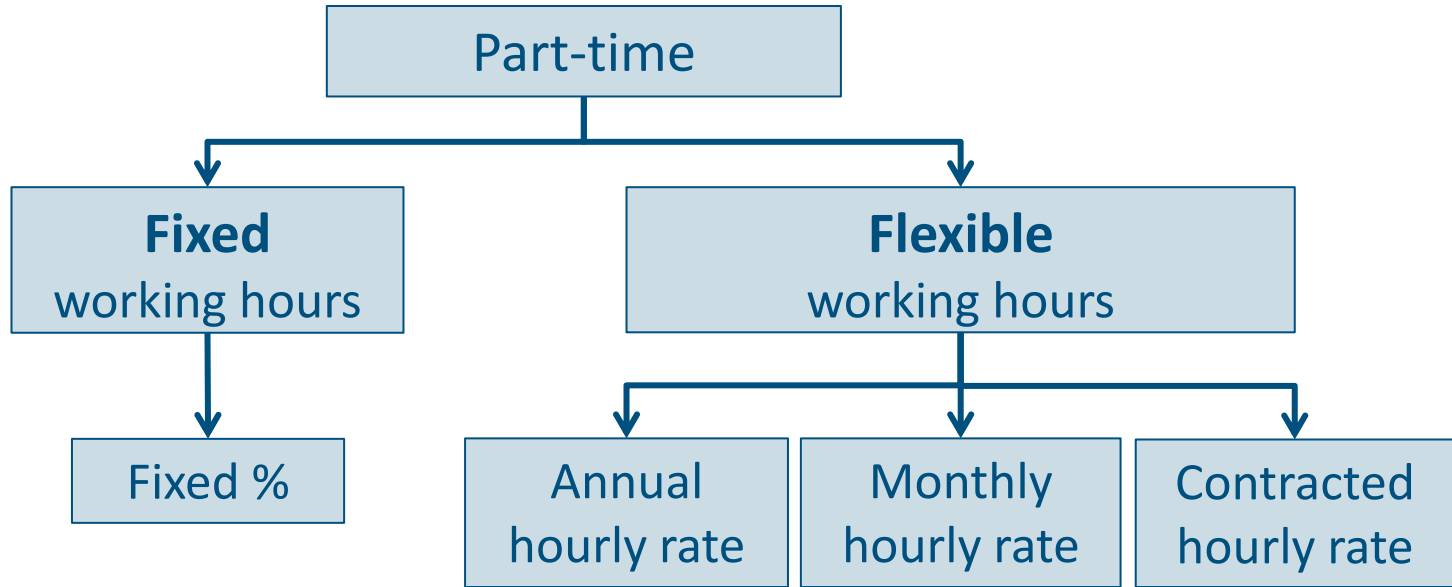
## BL1 - Staff: Calculation options

Part-time

### Calculated with a contracted hourly rate

- ✓ **Hourly rate** set in the **employment contract** multiplied with actual working hours
- ☹️ Can only be used by staff that is paid on hourly rate basis
- ☹️ Timesheet needed
- ☹️ Vacation and sick leave not covered

## BL1 - Staff: Calculation options



**Do not mix the calculation methods!**

## BL1 – Staff: Timesheets

- a) **Programme templates** -> option in staff costs tool
- b) **Own internal time registration system**

Minimum requirements:

- Completed by each employee individually
- Contain the amount of hours worked on daily basis
- Signed by employee and his/her supervisor
- Cover 100% of the working time (also outside the project)

Staff cost tool: Brief monthly summary describing the activities

## BL1 - Staff: Unpaid voluntary work

### Documentation

- Signed agreement with voluntary worker
- Signed timesheets
- Staff cost tool

### Calculation

- Hourly rate  $\Rightarrow$  Max. hourly rate for equivalent work
- Limit per partner  $\Rightarrow$  Unpaid voluntary work  $\leq$  Own contribution
- Other essential expenditure (e.g. travel costs, material) can be reported in other budget lines

## BL1 – practical exercise

### Preparation

- 1) (If not done yet) download the staff costs tool from <http://www.interreg-baltic.eu/for-projects/reporting.html>
- 2) **Please open the staff cost tool (by using Adobe Reader)**

## BL1 - Staff cost tool exercise

**Please complete the staff cost tool for the following employee:**

- Reporting period: no. 1 (1 March 2017 – 31 August 2017)
- Employee: Sven Example
- Currency: SEK
- Part-time employment: Annual hourly rate
- Start of employment in the organisation: 1 January 2010
- Start of employment in the project: 1 April 2017
- Total working time in this period: 950h
- Project working time (own time registration system): 20h
- Annual salary derived from accounting system: SEK 1,000,000



## BL2 - Office & administration

# 15%

flat rate  
of BL1 staff costs

*Automatic calculation*

**Costs covered by BL2 cannot be reported under  
any other budget line!**

## BL2 - Office & administration

- Office rent
- Insurance and taxes of buildings and equipment (e.g. fire, theft insurances)
- Utilities (e.g. electricity, heating, water)
- Office supplies
- General accounting
- Maintenance, cleaning and repairs; Security; IT systems;
- Communication (e.g. telephone, fax, internet, postal services)
- Bank charges, transnational financial transaction charges

## BL3 - Travel & Accommodation

### Project employees

⇒ belongs to **BL3**

- Travel (e.g. tickets, fuel, car mileage, toll, parking fees)
- Accommodation
- Daily allowances
- If not covered by allowances:
  - Meals (other than catering!)
  - Visa

### External experts/speakers/...

⇒ belongs to **BL4**

- Travel
- Accommodation
- Active role !

**Every travel must be project related !!!**

## BL3 - Travel & Accommodation

### Reporting documents

- Invoices or equivalent accounting documents of travel costs
- Payment proof
- Proof of reimbursement of costs to the employees where employees made a direct payment for travel

## BL4 - External expertise & services

- ⇒ studies, training, translations
- ⇒ consultancy services
- ⇒ project events
- ⇒ travel and accommodation for external staff
- ⇒ first level control costs (for decetralised FLC systems)
- ⇒ financial project management
- ⇒ ...

### Not eligible:

- ⇒ basic courses
- ⇒ services from other project partners/own staff

## BL5 - Equipment

- Office equipment
- IT hardware & software
- Furniture & fittings
- Laboratory equipment
- Machines & instruments
- Tools or devices
- Vehicles
- Other

## BL5 - Equipment

### 1. Equipment which is part of an investment

- Clear link to an investment output
- Full costs eligible

### 2. **Other** equipment

- Tools/devices to implement other project activities
- Depreciation/rental/leasing costs for period of use

## BL5 - Equipment

### Investment equipment in the application


1. Project Summary

2. Partnership

3. Relevance

4. Activities

I 4.3

Output Title 

22 / 250 c

Output Description 

987 / 2 000 c

Main Output 




Investment 









## BL5 - Equipment

### Investment equipment in the application

6.2 Equipment 

Item No.	Category 		Investment item? 	Group of activities no. 	Contracting partner 
	Category	Additional Specification			
1	Other specific equipment	<input type="text"/> 26 / 100 characters	<input type="text" value="Yes"/>	<input type="text" value="A 4.3"/>	<input type="text"/>
2	Other specific equipment	<input type="text"/> 32 / 100 characters	<input type="text" value="Yes"/>	<input type="text" value="A 4.3"/>	<input type="text"/>

## BL6 - Infrastructure & works

- Only investment related costs
  - ➔ Blocked if no investment outputs planned
- Full costs eligible
- Examples: Works for ...  
site preparation, delivery, handling, installation, renovation

## BL4, BL5 and BL6

- Application form: Indicative specification of contracts (sections 6.1, 6.2 and 6.3)
- Documentation:
  - ✓ Procurement
  - ✓ Contracts and invoices
  - ✓ Proof of delivery
  - ✓ Payment proof

# Final remarks

# Every contract with externals must ...

- comply with public procurement rules
- follow principles of
  - transparency
  - non-discrimination
  - equal treatment
- contracts below national thresholds but > EUR 5,000:  
bid-at-three rule

Applies to private partners as well!

# Activities outside the EU & Programme area

Do I need prior approval by MA/JS?

- Programme area & EU ⇒ NO
- Other countries ⇒ YES



# Please also consider...

- Special rules for **revenues** & cash-in flows
- **Visibility rules**
- **Retention period**
  - ⇒ ~ 4 years after final payment (exact date from MA/JS )
  - ⇒ Stricter rules for State aid
- **Originals** or in versions “*in conformity with the original on commonly accepted data carriers*”
- **Durability & ownership** of (investment) outputs

# Eligibility rules

*Interreg Baltic Sea Region believes  
in an integrated and prosperous Europe for all*

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