

CENTRAL EUROPE PROGRAMME 2007-2013



Lead Partner Seminar
Vienna, 28/29 July 2008

FIRST LEVEL CONTROL, REPORTING AND PAYMENT

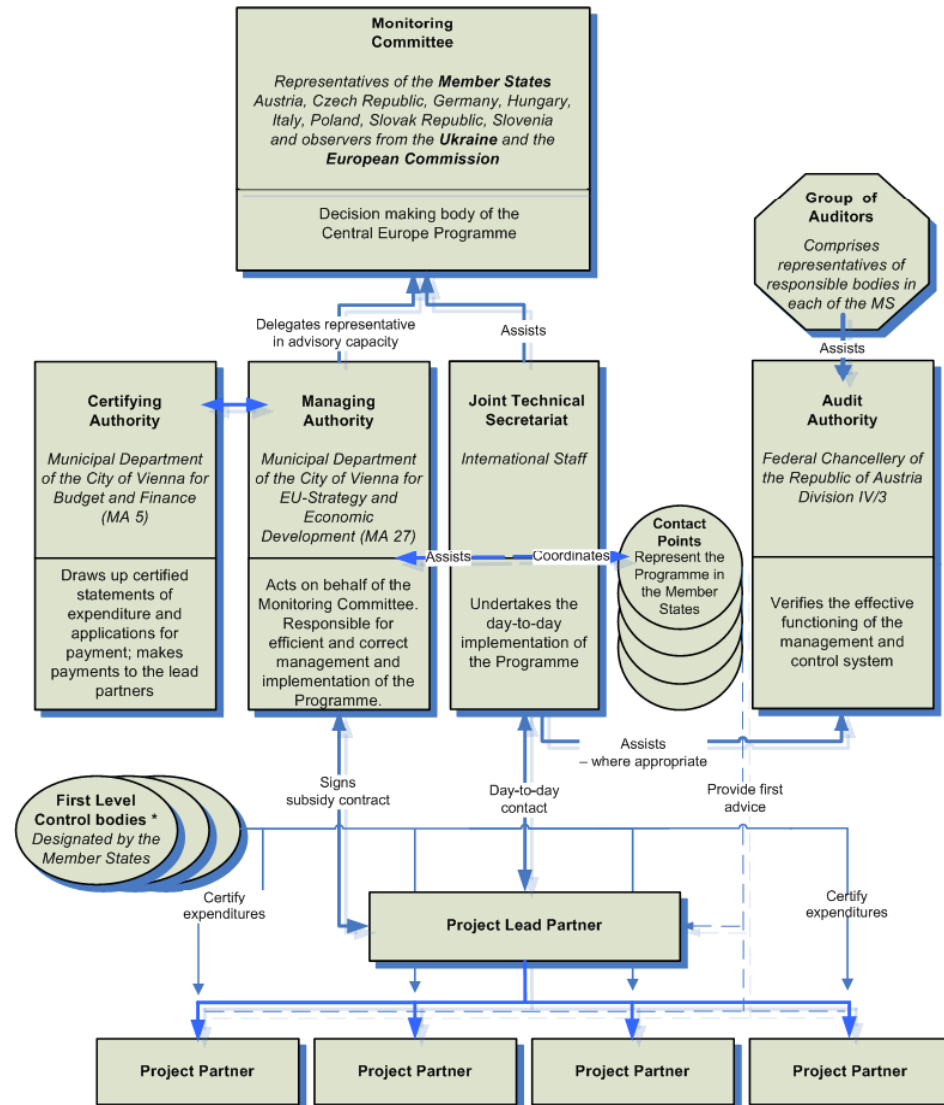
Carlos BOLAÑOS
JTS CENTRAL EUROPE PROGRAMME

I.

PROGRAMME STRUCTURE



STRUCTURE IN APPROVED OP



*) First level control bodies will be designated according to Article 16 of the ERDF regulation; see also Chapter 6.5.2

II.

FIRST LEVEL CONTROL AND ELIGIBILITY RULES



FIRST LEVEL CONTROL SYSTEMS



❖ CENTRALISED:

- **Czech Republic:** institutionally centralised but decentralised geographically
- **Hungary, Slovakia and Slovenia:** purely centralised
- **Poland:** purely centralised for some institutions

❖ DECENTRALISED:

- **Austria:** decentralised with approbation body and/or short list depending on status of partners
- **Germany:** purely decentralised
- **Italy:** decentralised with short list or purely decentralised
- **Poland:** decentralised with approbation body for some institutions

FLC IN PRACTICE - MEMBER STATES



- ❖ Elaboration of guidelines, manuals and checklists is already concluded in some Member States and foreseen in most others.
- ❖ In cases of decentralised systems, training for controllers is envisaged in some Member States.
- ❖ Delivery of certifications in the timeframe set by the Regulations has been confirmed.



❖ IMPORTANT POINTS:

- o Contact/select your FLCer in early implementation stages.
- o Even if allowed, use of internal controllers by partners should be whenever possible avoided => independency is not always easy to demonstrate.
- o Control and Audit Guidelines - including Programme eligibility rules, standard audit certification, model checklist and model of internal audit report - will be available in early autumn.
- o Financial training will also cover partners and not only Lead partners => beginning 2009.

❖ SOURCES:

○ REGULATIONS:

- Council Regulation (EC) No 1083/2006

⇒ **GENERAL REGULATION** (Art. 56)

- Council Regulation (EC) No 1080/2006

⇒ **ERDF REGULATION** (Art. 7)

- Commission Regulation (EC) No 1828/2006

⇒ **IMPLEMENTING REGULATION** (Art. 48 to 53)

○ NATIONAL RULES

○ PROGRAMME RULES



ELIGIBILITY RULES



❖ National eligibility rules issued:

YES	NO	NOT KNOWN
AT CZ PL SI SK	DE	IT
	UNDER ELABORATION	
	HU	

- ❖ Specifications for ETC programmes not always provided.
- ❖ Further developed in FLC guidelines and manuals issued at MS level.
- ❖ Queries on eligibility will be dealt directly by the responsible bodies for setting up FLC.

SUPPORTING DOCUMENTS

(INDICATIVE!!)



STAFF COSTS



- ✓ List of staff working on the project, stating name, qualification and function.
- ✓ Service order stating tasks to deliver and amount of days.
- ✓ For people working part-time: total salary, calculation of daily/hourly cost based on real worked hours and total amount charged to the project.
- ✓ Payroll and social security documents.
- ✓ Monthly time-sheet, properly filled-in with a description of tasks carried out and duly signed, both by the employee and the responsible.

DIRECT COSTS:

- ✓ Evidence that costs are real and project-related.

INDIRECT COSTS:

- ✓ Explanation of the calculation method for charging a certain percentage to the project (either defined by national rules or established by the partners).
- ✓ Evidence that costs are real and project-related.
- ✓ No lump-sums allowed.
- ✓ Must not include costs claimable in other categories.

EXTERNAL EXPERTISE



- ✓ Evidence of transparency in the selection process and, if applicable, evidence that public procurement has been respected.
- ✓ Contract explaining the type of task/activities to be developed, duration, remuneration and, if applicable, quota charged to the project.
- ✓ Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the services, quantification of the services, price per unit and total price.
- ✓ Where applicable, documents regarding social charges.
- ✓ Where applicable, deliverables produced by the expert.

TRAVEL AND ACCOMODATION



- ✓ Mission request/authorisation, clearly stating the name of the person, the date/duration of the mission, place and scope of the mission.
- ✓ Travel invoices paid directly by the company/institution.
- ✓ Reimbursement request, with the relevant documentation required according to national rules or institutional procedures, related to expenses held directly by the person undertaking the mission.
- ✓ Proof of effective reimbursement by institution.
- ✓ In case of use of own car, reimbursement request through milage sheet, according to national procedures and using agreed values per travel unit .

MEETINGS AND EVENTS



- ✓ Evidence that the most cost-efficient option has been chosen and, if applicable, evidence that public procurement has been respected.
- ✓ Contract with the service provider clearly stating the type of service to be provided, the date of the service and the total cost.
- ✓ Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the services, quantification of the services, price per unit and total price.
- ✓ Other complementary documents such as agenda and/or minutes of the meeting.

PROMOTION COSTS



- ✓ Evidence that the most cost-efficient option has been chosen and, if applicable, evidence that public procurement has been respected.
- ✓ Contract with the service provider clearly stating the type of service to be provided, the date of the service and the total cost.
- ✓ Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the services, quantification of the services, price per unit and total price.
- ✓ Other complementary documents such as copies of brochures, leaflets, newsletters...

EQUIPMENT



- ✓ Evidence that the cheapest option for the applied quality has been chosen.
- ✓ Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the goods, quantification of the goods, price per unit and total price.
- ✓ Depreciation method based on national rules and amount charged in every payment request.



INVESTMENTS



- ✓ Adjudication procedure for delivering the supplies, works and/or services.
- ✓ Contract with the service provider clearly stating the type of service/works/supplies to be provided, the date of the service and the total cost.
- ✓ Detailed invoice, clearly stating date of the invoice, the payee, the payer, description of the services/supplies/works, quantification, price per unit and total price.



**ALL NECESSARY DOCUMENTS
REGARDING **PROOF OF PAYMENT**
ARE ALSO NEEDED!!!**

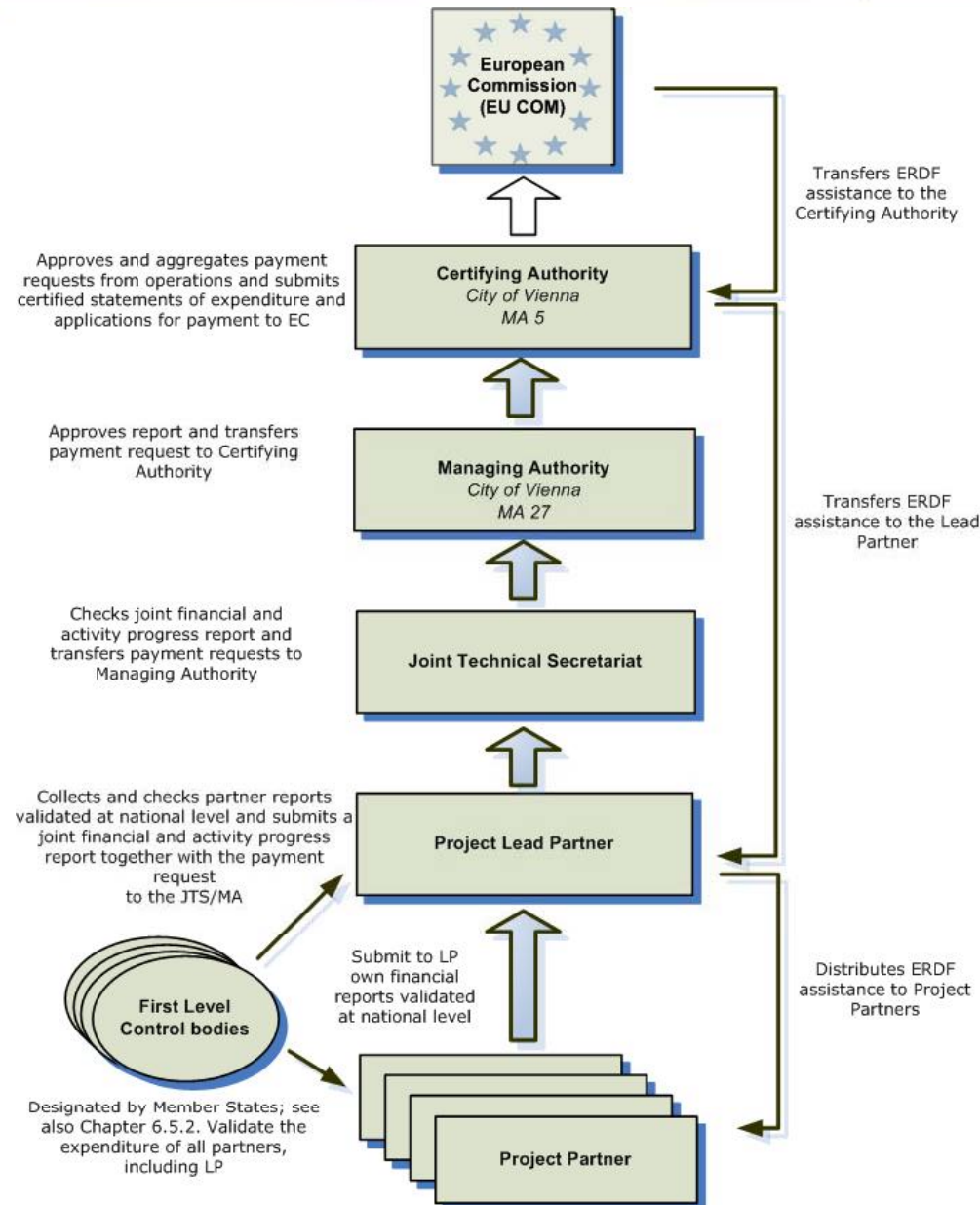


III.

REPORTING AND PAYMENT



PROCEDURE IN APPROVED OP



REPORTING:

- ❖ Progress Reports submitted **every six-months**, according to deadlines fixed in subsidy contract.
- ❖ Progress Reports consisting of joint activity report and joint financial report and including payment request.
- ❖ All Progress Reports accompanied by expenditure confirmations of all partners => **NO single consolidated confirmation by LP controller needed.**
- ❖ Internal audit reports and checklists can be requested to all partners, especially if decentralised system applies.
- ❖ All progress reports accompanied by aggregated lists of expenditure.

MONITORING:

- ❖ Progress reports analysed by a **Project Manager** and a **Finance Manager**.
- ❖ Procedure should allow verification of:
 - o Project implementation according to approved application form.
 - o Existence of project by **reception of relevant outputs** related to soft measures.
 - o Functioning of FLC systems through **plausibility checks of expenditure**.
- ❖ Accompanied with **project visits** also with an on-the-spot check approach (e.g., investments).

CHECKS BY MA/CA AND PAYMENT:

- ❖ Results of project monitoring delivered from JTS to **Managing Authority**, which will - among others - verify:
 - o Respect of subsidy contract
 - o Completeness of monitoring procedures

- ❖ Results of project monitoring delivered from Managing Authority to **Certifying Authority**, which will verify:
 - o Absence of ineligibility risk on declared expenditure

- ❖ Certifying Authority transfers payments to **Lead Partner**, who is in charge of forwarding contributions to **partners** in time and in full.