

Interreg



Co-funded by
the European Union

Alpine Space

Get Started! Seminar

Salzburg | 4 December 2024

21/27





MAGDALENA FRIEDWAGNER-MAISLINGER

Financial Management

Cost categories - combination options



cost categories	option a)		option b)		option c)	
	real costs	flat rate	real costs	flat rate	real costs	flat rate
staff costs	fixed percentage method			20% of external expertise and equipment costs	fixed percentage method	
office and administration costs		15% of staff costs		15% of staff costs		40% of staff costs
travel and accommodation costs		10% of staff costs		10% of staff costs		
external expertise and service costs	real costs		real costs			
equipment expenditure	real costs		real costs			

- Small-scale project: only combination options b) and c) are possible; option c) the one selected most!

The single cost categories are detailed in the programme manual!

Staff costs calculation based on real costs



- Staff costs must be calculated individually for each staff member
- Calculation method: fixed percentage of gross employment costs
- Eligible staff costs = assignment percentage x gross employment costs
- Relevant documents:
 - Employment contract
 - Pay slips
 - Project assignment
 - In case of recruitments: evidence on consideration of internal provisions

Please consider:

- Payments (e.g. personal draw) to self-employed persons are ineligible
- Special payments (e.g. 13th/14th salary) shall be considered pro-rata only
- Voluntary payments (e.g. rewards) are ineligible
- Only staff costs of assigned employees are eligible (=> assignment obligatory)

Staff costs calculation based on real costs



Project assignment:

- Programme template to be used
- To be issued per single employee and per reporting period
- **To be issued and signed before the respective assignment period!**
- Informs about project related tasks and the estimated working time dedicated to the project (in percent of the total working time according to the employment contract = assignment percentage)
- Please document how the assignment percentage was determined!



Project assignment

Identification of project and project partner

Project acronym	
Name of project partner	

Assigned employee

Name of employee		
Assignment period <small>Please indicate starting and end date of the assignment. Please consider that the assignment period shall correspond with the reporting period.</small>	Starting date	End date
Version N*		

Confirmation

With this task assignment, it is confirmed that the above-mentioned *employee* works on the above-mentioned project.

In case that he/she is involved in other public funded projects (please specify in the table below the relevant project acronyms and the funding programmes/sources), it is confirmed that there is no double financing, as not more than 100% of my working time will be reported.

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How to calculate the extent of the assignment



- **Step 1:** list the main project related tasks to be implemented by the employee within the assignment period in question (you may define employee-specific tasks for the single activities defined in section C.4 of the AF)
 - **Step 2:** estimate the related working hours for the defined tasks (estimated hours per task)
 - **Step 3:** calculate the pro-rata of the estimated total of the project-related working hours in relation to the total working hours (annual reference value for total working hours: 1.720 hours for full-time employment)
 - (this means for a six-monthly assignment period e.g. 860 hours for a full-time employed and 430 hours for a half-time employed staff member; for a nine-monthly assignment period e.g. 1290 hours for a full-time employed and 645 hours for a half-time employed staff member)
- => percentage remains applicable for the duration of the assignment!

Flat rates



- Staff costs: 20 % of the direct costs other than the direct staff costs (= external expertise and services costs and equipment cost)
please consider: requirement of at least one employee
 - Other costs: 40% of staff costs
 - Office and administration costs: 15% of staff costs
 - Travel and accommodation costs: 10% of staff costs
- ⇒ No need to document that the expenditure was incurred and paid
- ⇒ To be requested in the initial version of the AF (cannot be changed after the approval)
- ⇒ Office & administration costs and travel & accommodation costs can only be reported as flat rates

External expertise and service costs



- Basis: real costs
- Written contract (or any document of equivalent probative value) between beneficiary and service provider is required
- Contracts concluded between project partners of the same project are ineligible
- Relevant procurement rules must be respected and the procurement properly documented
- Even for small services, offers of different service providers should be requested/market prices should be compared (to be documented)
- Publicity rules to be observed
- Proof of outputs and services delivered is required

Equipment expenditure



- Basis: real costs
- Equipment is eligible if it is listed in the AF or if it is approved in advance and in written by the JS
- Equipment is eligible if it is not covered by the office and administration costs
- Costs of equipment which is purchased, rented or leased from another beneficiary are not eligible.
- Only depreciation costs are eligible.
- Publicity rules to be observed.
- Relevant procurement rules must be respected.

Group Exercise



- **Exercise 1 - team work**

Please calculate the assignment percentage for Ms. Laura BUSY who is staff member of PP DILIGENT in the Alpine Space project EAGER and complete her assignment accordingly.

- **Exercise 2 - team work**

Please calculate the eligible staff costs for Ms. BUSY in reporting period 1.

Group exercise



Project assignment

Identification of project and project partner

Project acronym	EAGER
Name of project partner	DILIGENT

Assigned employee

Name of employee	Laura BUSY	
Assignment period <small>Please indicate starting and end date of the assignment. Please consider that the assignment period shall correspond with the reporting period.</small>	01.01.2025	30.09.2025
	Starting date	End date
Version N°	1	

Confirmation

With this task assignment, it is confirmed that the above-mentioned *employee* works on the above-mentioned project.

In case that he/she is involved in other public funded projects (please specify in the table below the relevant project acronyms and the funding programmes/sources), it is confirmed that there is no double financing, as not more than 100% of my working time will be reported.

Project MOTIVATED - Interreg Central Europe



He/she carries out the following project-related tasks in this assignment period:

<p>WP1, activity 1.1 - Planning and organisation of the project's kick-off event: 112 hours</p> <ul style="list-style-type: none"> o Procuring venue & catering (internetsearch, requesting/comparing offers, contracting) => 8 hours o Fixing agenda and invitation (coordination with LP, PP 2&6, contacting of experts) => 12 hours o Procuring moderation (internet research, requesting/comparing offers, contracting) => 8 hours o Organising welcome dinner (internet research, comparing offers, contracting) => 4 hours o Organising registration (set-up online tool, list of participant, answering requests) => 8 hours o Preparing input for event (preparation of networking game, ppt on input WP 1) => 24 hours o Preparing location ahead of the meeting => 8 hours o Participating the kick-off event => 16 hours o Post-processing (preparation of report on results and photo documentation, checking of invoices and preparation of payment procedures to external experts and service providers) => 24 hours <p>WP1, activity 1.1 - Participation in two project steering group meetings: 34 hours</p> <ul style="list-style-type: none"> o PSG 1: preparation for and post-processing of the meeting => 6 hours o PSG 1: participation to the meeting => 8 hours o PSG 2: preparation for and post-processing of the meeting => 6 hours o PSG 2: travel to the meeting (2x3 hours) => 6 hours o PSG 2: participation to the meeting => 8 hours <p>WP1, activity 1.2 - Preparation of a procurement: 32 hours</p> <ul style="list-style-type: none"> o First drafting of tender documents (i.a. internet research, draft specification of services, first cost estimation, timeline, procedure) => 16 hours o Internal coordination (i.a. exchange with legal experts, exchange with internal PM, agreement on draft line and procedure to be applied)=> 8 hours o Finalisation of tender documents => 8 hours <p>WP2, activity 2.1 - First arrangements for a pilot activity: 56 hours</p> <ul style="list-style-type: none"> o Drafting of timeline and workplan => 8 hours o Organisation and implementation of an internal workshop => 12 hours o Preparation of an "expert round" with stakeholders (organisation of venue, invitation of stakeholders,



- drafting of preparatory documents) => 12 hours
- o Implementation of expert round => 8 hours
- o Post processing of expert round => 4 hours
- o Drafting of detailed concept => 12 hours

He/she is assigned with the following share of his/her working time in this period to carry out the tasks as described above.

Assignment percentage¹ 24%

Mary Boss	Laura Busy
Name of employer	Name of employee

19.12.2024 	19.12.2024 
Date ² and employer's signature	Date ² and employee's signature

¹ As regards the calculation of the extent of the assignment please refer to annex VIII of the programme manual "How to calculate the assignment percentage".

² According to the programmes eligibility rules the project assignment has to be issued and signed before the starting date of the assignment period



Calculation of assignment percentage:

$$234 / 967,5 = 0,2418 = \underline{24\%}$$

(project-related working hours/total working hours)

Staff costs:

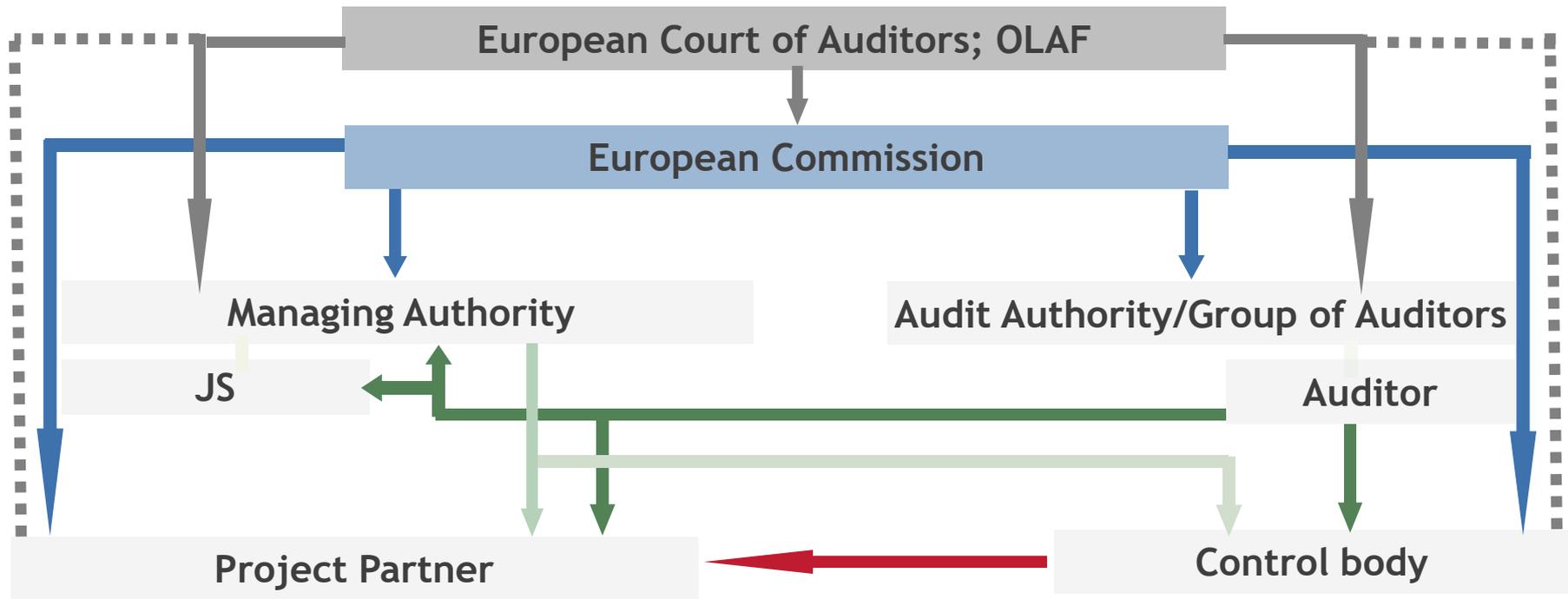
$$\text{total eligible staff costs} = 49.050$$

$$(4.800 \cdot 9 + 7800 / 12 \cdot 9)$$

$$\text{project-related eligible staff costs} = \underline{11.772}$$

$$(49.050 \cdot 0,24)$$

Financial control



-  Control of all expenses and certification of eligible ones => **FIRST LEVEL**
-  Audit of the programme's system, the annual accounts and operations (projects) => **SECOND LEVEL**
-  Verification of MA/JS on the basis of project reports/payment claims
-  Audits of the EC, the ECA or OLAF to verify the functioning of the system and the regularity of the expenditure

Financial control - verifications



Article 46 (6) of the Interreg regulation: „Each Member State... shall ensure that the expenditure of a beneficiary can be verified within a period of three months of the submission of the documents by the beneficiary concerned.”

According to Article 46 (8) and (9) of the Interreg regulation, controllers shall meet the following requirements:

- either a national or regional authority or a private body or a natural person
- in case of a private body or a natural person:
 - be a member of a national accounting or auditing body or institution (which is a member of International Federation of Accountants (IFAC) or is at least committing to carry out the management verifications in accordance with IFAC standards and ethics) or
 - be registered as a statutory auditor in the public register of a public oversight body in a Member State

Financial control - main findings



- Documentation and calculation of staff costs
 - Project assignments missing or signed too late
 - Calculation of the extent of assignment insufficiently documented → estimate activities and working hours + Jems upload!
 - Inconsistencies in the staff costs calculation
 - Ineligible salary components included
- Procurement of external experts
 - Weak procurement documentation (e.g. missing market research, price comparison for small projects)
 - Non-observance of procurement rules (e.g. non-compliance with time limits for receipt of tenders)

Further findings (examples only):

- Publicity requirements not properly observed
- Missing project relevance of expenditure
- Incomplete audit trail

National Control System: Austria



Decentralized system

- Control only by nominated controllers (predefined list)
 - The control costs have to be borne by the Austrian beneficiaries
 - Info on responsible controller will be sent by ACP to AT partners via e-mail
 - Further info
<https://www.oerok.gv.at/kooperationen/info-service-oesterreich-ncp/finanzkontrollsystem-in-oesterreich>
-
- Further questions?

ACP AT: Martina Bach

phone: +43 1 535 34 44 22, e-mail: bach@oerok.gv.at

NCCB AT: Federal Ministry of Agriculture, Forestry, Regions and Water Management
anneliese.heiling@bml.gv.at

National Control System: Germany



Decentralised system:

The beneficiary is free to appoint its controller, but:

- The latter must be authorized by the StMUV (Bavarian State Ministry of the environment and consumer protection).
- Preconditions as specified in the Interreg regulations to be met!

More Information & Contact:

Bayerisches Staatsministerium für Umwelt und
Verbraucherschutz, Rosenkavalierplatz 2
81925 München

Veronika.Barth
Veronika.Barth@stmuv.bayern.de

National control system: France



Decentralised system:

- The beneficiary is free to appoint its controller, but only from a shortlist of controllers made available by the French National Control Coordinating body
- Further questions?
ACP and NCCB:
Région Auvergne-Rhône-Alpes
Lucie GREFFIER
lucie.greffier@auvergnerhonealpes.fr

National control system: Italy



Decentralised system:

- The beneficiary is free to appoint its controller, but the latter must be authorized by the national control coordinating body.
- Internal (only for public PP) or external (for public and private) controllers possible.
- The Commissione Mista has prepared the **instructions**, requirements and forms to be used for identifying and contracting the First Level Controllers, documents to be sent to ACP who will forwards it to Commissione Mista
- Contact:
 - ACP - Regione Lombardia
Roberto de Marco
spazio_alpino@regione.lombardia.it
 - NCCB - Agency for Territorial Cohesion
Dirigente: Teresa Costa
teresa.costa@agenziacoessione.gov.it commissione.mista.cte@agenziacoessione.gov.it

National control system: Slovenia



Centralised system:

- One central body (Ministry of Cohesion and Regional Development) was appointed to carry out the controls in accordance with article 46(3) Interreg regulation.

- Contact:
 - Ministry of Cohesion and Regional Development**
 - Nada Eniko
 - nada.eniko@gov.si

Further information & contact



Please study the programme manual carefully and consult the FAQ for any further information

https://www.alpine-space.eu/wp-content/uploads/2024/06/20240619_ASP_Programme_manual_June_2024.pdf
<https://www.alpine-space.eu/faq/>



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Thank you for your attention!

