

Interreg



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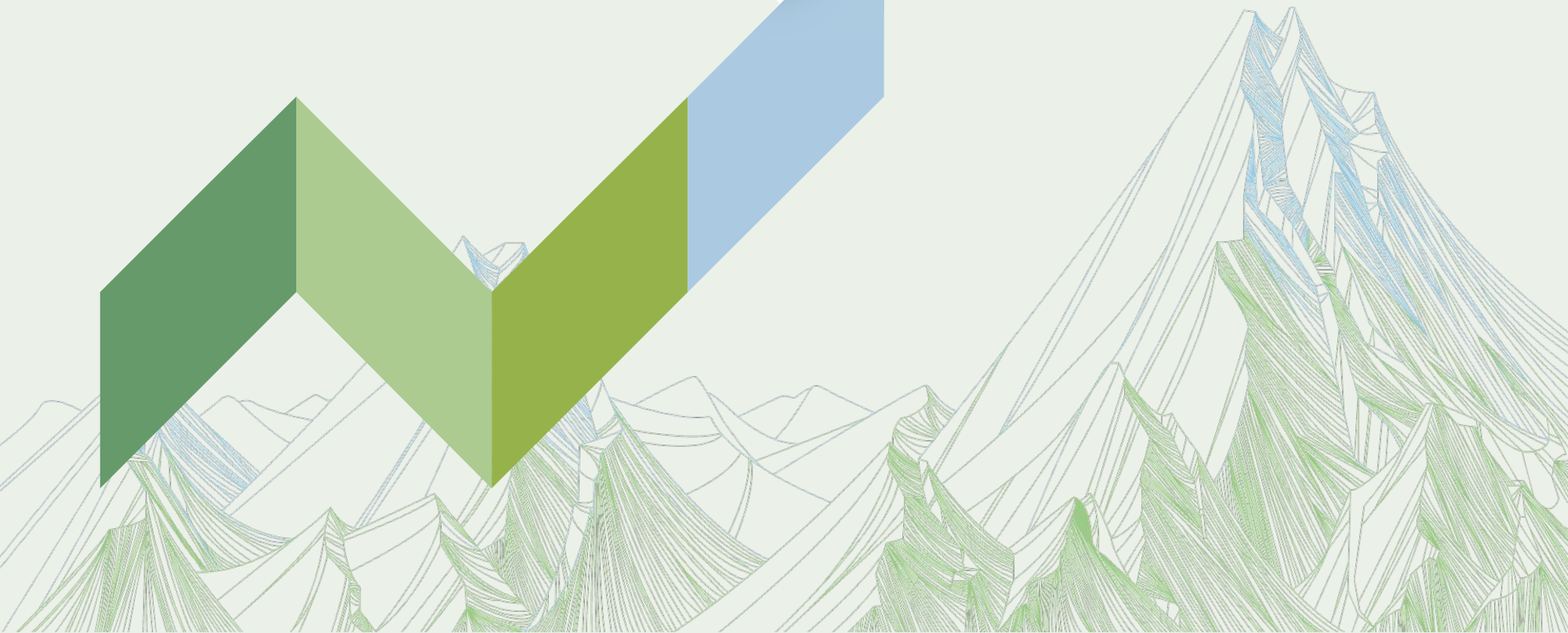
Alpine Space

Financial Management

Salzburg | 24 June 2024

21/27

Magdalena Friedwagner-Maislinger



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 | | | |

- Classic projects: all combination options (a-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.

| |
|--|
| |
|--|

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> | <i>should be aligned with RP</i> |
| Version N° | <i>regularly version 1 (revision only in case of expected major deviations)</i> |

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.

| |
|--|
| <i>please list here any other public funded project the employee is working on</i> |
|--|

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

| |
|---|
| <i>Detailed description to be included here - based on activities as outlined in section C.4 of the application form (sufficient information for justifying the eligibility of the related staff costs)</i> |
|---|

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 percentage ¹ | |
|------------------------------------|--|

Please consult the programme guidance on the calculation of the assignment percentage and ensure a proper documentation!

Name of employer

Name of employee

To be signed ahead of the assignment period! Minor delays (of less than a month may be accepted in the first reporting period)

Date² and employer's signature

Date² and employee's signature

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)
- => 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



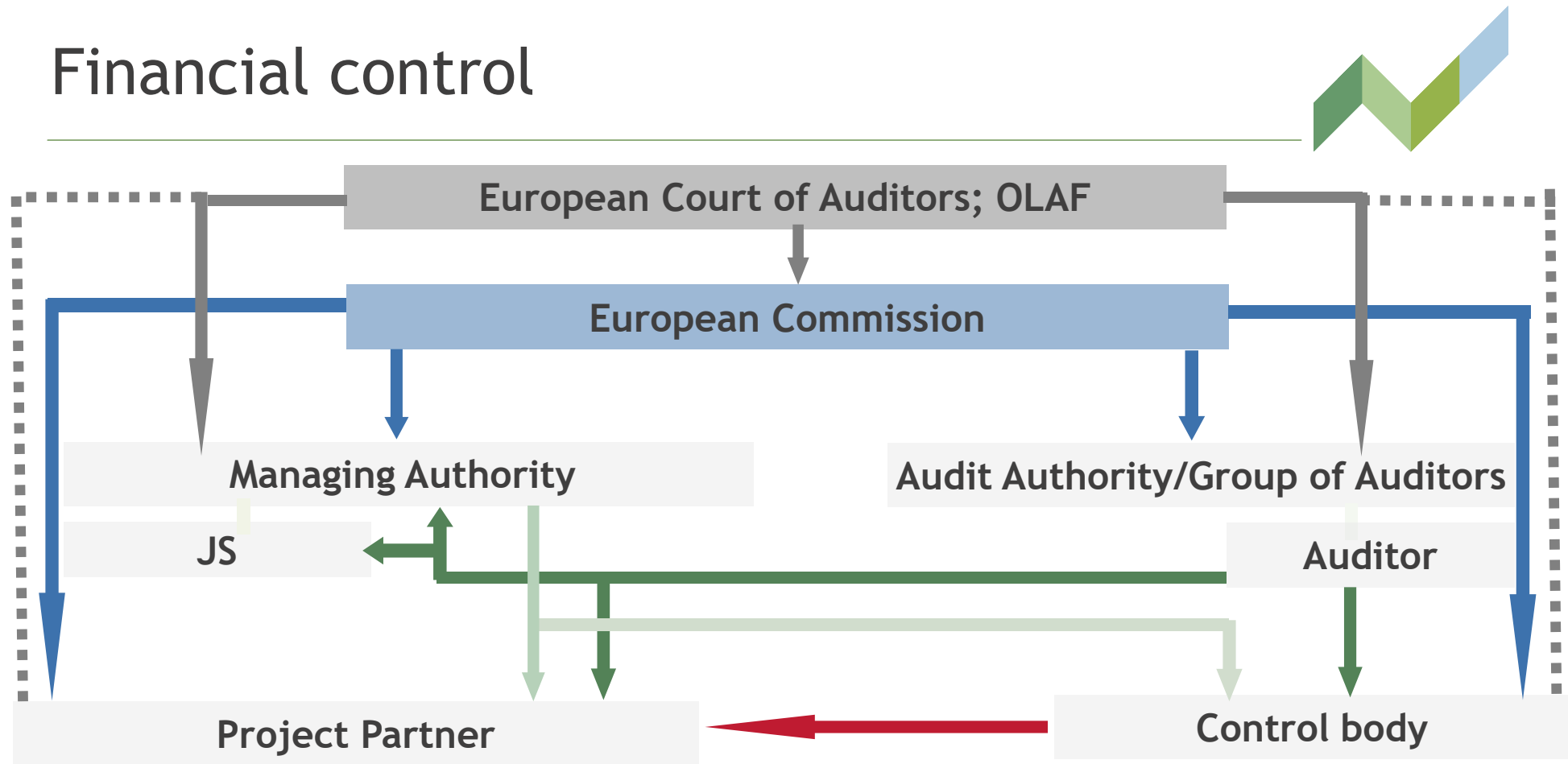
- Basis: real costs
- Written contract (or any document of equivalent probative value) between beneficiary and service provider is required
- Contracts concluded between project partners of the same project are ineligible
- Relevant procurement rules must be respected and the procurement properly documented
- 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.

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 - main findings



- Documentation and calculation of staff costs
 - Project assignments missing or signed too late
 - Calculation of the extent of assignment insufficiently documented
 - 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

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

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
vivian.thurner@bml.gv.at irena.hnatkova@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@agenziacoesione.gov.it commissione.mista.cte@agenziacoesione.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:

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

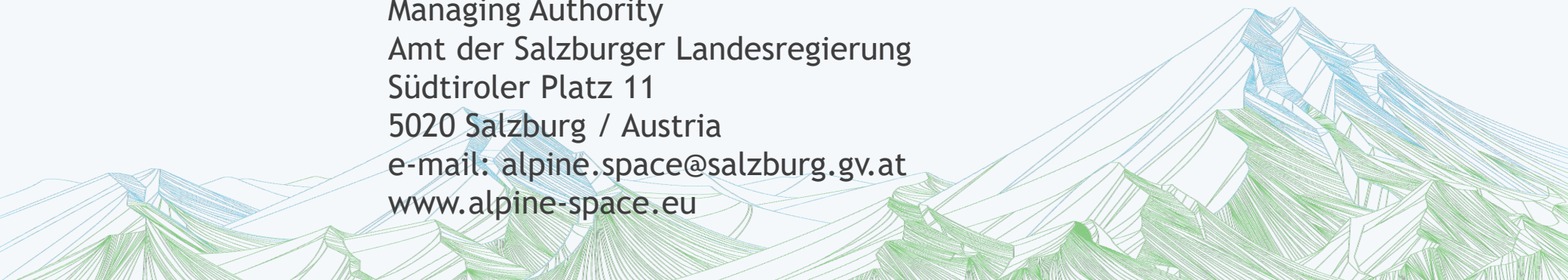


In case of any questions:

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www.alpine-space.eu



Thank you for your attention

➔ Next: Procurement errors

