



**Interreg - IPA CBC**  
Italy - Albania - Montenegro



**LEAD PARTNER SEMINAR**

**Interreg IPA CBC IT-AL-ME**

**ELIGIBILITY OF EXPENDITURES**

**Bari/Tirana/Podgorica, 5/19/20 June 2018**

*Antonio Agrosi - Joint Secretariat / Managing Authority*



REGIONE PUGLIA

# What costs are eligible?

## Eligibility

- ❖ **Principles economy:** the resources used by the institution in the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.
- ❖ **Principle of efficiency:** the best relationship between resources employed and results achieved.
- ❖ **Principle of effectiveness:** attainment of the specific objectives set and the achievement of the expected results.
- ❖ **Necessary for activities (AF) / reasonable**
- ❖ **Actually incurred and paid in eligible period/area/partner**

# What costs are eligible?

Eligibility

- ❖ **Verifiable and documented / simplified cost options:**
  - ❖ reimbursement of eligible costs actually incurred and paid;
  - ❖ lump sums (e.g. preparation costs € 10.000 including National Contribution);
  - ❖ flat-rate financing (staff and O&A costs), determined by the application of a percentage to one or more defined categories of costs.

- ❖ **Identified in separate or integrated accounts**
  - ❖ Beneficiaries may have a separate set of accounts specifically for the project, or may include the project's accounts in their own accounting system, ensuring that the project's records are still easily identifiable.
  - ❖ The account system shall be run in accordance with the accounting rules that apply in the country concerned

# What costs are eligible?

## Eligibility

- ❖ **No double financing / ineligible items (69 CPR, 43 IPA IR, 2 DR):**
  - ❖ interest on debt, value added tax (VAT) recoverable under national VAT legislation, other recoverable taxes,
  - ❖ purchase of land not built on and land built on in the amount exceeding 10 % of the total eligible expenditure for the operation (15% in case of derelict sites and for those formerly in industrial use which comprise buildings),
  - ❖ investment in airport infrastructure unless related to environmental protection or accompanied by investment necessary to mitigate or reduce its negative environmental impact;
  - ❖ fines, financial penalties and expenditure on legal disputes and litigation
  - ❖ costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information
  - ❖ costs related to fluctuation of foreign exchange rate etc....
- ❖ **Euro/exchange rate (month of submission to FLC)**
- ❖ **Complying with EU, programme and national rules**

# What kind of costs?

Eligibility

## ETC eligibility EC Del. Reg. **no. 481/2014**

- ❖ Staff
- ❖ Office and administration (O&A)
- ❖ Travel and accommodation (T&A)
- ❖ External experts and services (External)
- ❖ Equipment
- ❖ Infrastructure and works (Works)

# What Staff costs?

Eligibility

- ❖ Full time
- ❖ Part time fixed % / flexible no. of hrs.
- ❖ Hourly contract

**Attention to calculation methods: Real costs /flat rate (up to 20%)**

**Attention to contract nature: e.g. internal staff equivalent**

# Audit Trail / Staff costs

Eligibility

Required documents	Real Cost					20% flat rate
	Full Time	Part Time			Hourly rate set in the contract	
		Fixed %	Flexible n. hours (hourly rate on annual basis)	Flexible n. hours (hourly rate on monthly basis)		
Recruitment procedure documents of new staff involved in project activities (if relevant)	✓	✓	✓	✓	✓	X
Employment/work contract	✓	✓	✓	✓	✓	X
Official assignment to the project	✓	✓	✓	✓	✓	X
Gross Salary/Hourly Rate Sheet	✓	✓	✓	✓	✓	X
Pay-slips	✓	✓	✓	✓	✓	X
Periodic task report	✓	✓	X	X	X	X
Timesheet	X	X	✓	✓	✓	X
Salary payment documents	✓	✓	✓	✓	✓	X
Payment documents concerning any other costs directly linked to salary	✓	✓	✓	✓	✓	X



- ❖ Real costs / flat rate (15% of eligible Staff)
- ❖ Exhaustive list in art. 4 ETC eligibility:
  - ❖ office rent
  - ❖ insurance and taxes related to the buildings where the staff is located and to the equipment of the office (e.g. fire, theft insurances)
  - ❖ utilities (e.g. electricity, heating, water)
  - ❖ office supplies
  - ❖ general accounting provided inside the project partner organisation
  - ❖ archives
  - ❖ maintenance, cleaning and repairs
  - ❖ security

# What O&A costs?

Eligibility

- ❖ IT system support of an administrative nature, linked to the implementation of the operation
- ❖ communication (e.g. telephone, fax, internet, postal services, business cards)
- ❖ bank charges for opening and administering the account or accounts where the implementation of an operation requires a separate account to be opened
- ❖ charges for transnational financial transactions

**Attention: do not include in other budget lines!**

# What T&A costs?

Eligibility

- ❖ Real costs occurred by staff, in line with principle of sound financial management:
  - ❖ travel costs (e.g. tickets),
  - ❖ meals costs,
  - ❖ accommodation costs,
  - ❖ visa costs,
  - ❖ daily allowances.

**Attention: Do not include external experts costs!**

# What External costs?

Eligibility

- ❖ All specific expertise/services needed for projects, incl. e.g. experts travel costs, financial guarantees costs for private partners, etc.

**Attention: Public procurement rules (IPA, EU and national)**

**Attention: Sound financial management principle**

# What Equipment costs?

Eligibility

- ❖ General office equipment or specific for the activities

**Attention: Depreciation according to national rules**

**Attention: IT Hardware acquired for project activities**

**Attention: EU, IPA, national public procurement!**

# What Works costs?

Eligibility

- ❖ Infrastructure only if necessary in the scope of and to achieve the project objectives
- ❖ Cannot be the main scope of the project
- ❖ **Attention: Time planning**
- ❖ **Attention: EU, IPA and national Public procurement rules**

- **Centralised Systems (Albania – Montenegro)**
- **Decentralised System (Italy)**

Minimum qualification requirements of controllers are set at national level, however the following requirements should be held by a controller:

- Preferably degree in accounting, finance and relevant fields;
- Work experience in control and audit, preferably in EU co-financed projects;
- Knowledge of relevant EU, programme and national rules;
- Command of English.

Selection and  
approbation  
of controllers:  
“Nulla Osta”  
procedure

Internal

- Independence requirements of the internal office identified;
- knowledge of the English language.

External

- Public Procurement procedures
- National Register of the Chartered Accountants/Auditor Accountant;
- Requirements of integrity, expertise, independence and knowledge of the English language.



# Contacts

All documents are available at:



[www.italy-albania-montenegro.eu](http://www.italy-albania-montenegro.eu)

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# Thanks for your attention

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Managing Authority REGIONE PUGLIA