



**ENI
CBCMED**
Cooperating across borders
in the Mediterranean



Programme funded by the
EUROPEAN UNION



**REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA**

Understanding the Eligible costs

Training for Standard Projects Beneficiaries Rome, 1-2-3 October 2019

ELIGIBLE COSTS (see GfA par. 4.6.4 and info note on eligible costs)

DIRECT COSTS: to be incurred by each organization involved in the partnership. They must be **supported** by original expenditure documents as well as by the occurred payment documents

Cost Categories

0. Preparatory costs
1. Human resources
2. Travel / subsistence
3. Infrastructures
4. Equipment and supplies
5. Subcontracted Services
6. Other costs

INDIRECT COSTS :

Contingency reserve
Administrative costs



REGIONE AUTONOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA



DIRECT COSTS



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

General Rule on Eligibility

- ✓ **All cost must meet the general eligibility criteria set in art. 48 of the IR 851/2014 + specific criteria for each cost category**

In order to be eligible, costs shall meet the following conditions:

- Incurring during the implementation period of the project (see lett. a art. 48)
- Indicated in the estimated overall budget for the project;
- Necessary for the implementation of the project;
- Identifiable and verifiable
- Comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified, and comply with the requirements of sound financial management, in particular regarding economy and efficiency;
- Supported by expenditure and payment documents (e.g. contracts, invoices, proofs of payment documents etc.).

ELIGIBLE COSTS: 0. Preparatory costs

Eligibility conditions:

- a) They were incurred **after** the publication of the call for proposals and **before the deadline (24 January 2018)** for the submission of the proposal;
- b) They **don't exceed** the amount of 10.000 euro at project level;
- c) Travel and subsistence costs **only for staff employed** by the Beneficiary and/or the Partners according to its rules and regulations or the rates published by the Commission at the time of the mission;
- c) They are proven by supporting documents;
- d) They will be reported in the first interim report.



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 1. HUMAN RESOURCES (1)

Eligibility conditions:

- a) Related to the **actual time** worked for the implementation of the project by the permanent or temporary (*ad hoc recruited*) employees of the Lead Beneficiary and partners organizations;
- b) They shall correspond to **actual gross salaries** including social security charges and other components (in national legislation);
- c) **Detailed timesheets will be used** to report staff costs unless the employee is dedicated exclusively to the project;
- d) **Variable costs** (bonus, incentives, etc.) **are not eligible**;
- e) **Overtime** only for full time staff;



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 1. HUMAN RESOURCES (2)

Eligibility conditions:

- f) Staff costs from non-partner organizations **are not eligible.**
- g) **Consultancy services** are not to be reported under this category but under “External Services”
- i) Staff costs **from organizations fully owned by the Lead Beneficiary** or PP (but financially and functionally independent) **are eligible**
- j) Salaries **will not exceed those normally borne** by the organization except in very specific and justified cases

ELIGIBLE COSTS: 2. TRAVEL AND SUBSISTENCE (1)

Eligibility conditions:

- a) related to **staff and other persons** involved in the Project such as speakers or participants, including those of associated partners.
- b) They **cannot** exceed those normally borne by the organization **according to its internal rules** and regulations **nor** the rates published by the Commission **at the time of the mission** if

ELIGIBLE COSTS: 2. TRAVEL AND SUBSISTENCE (2)

Eligibility conditions:

- c) Subsistence costs can either be reported as **“reimbursed costs”** or **“per diem”** (reimbursed on the basis of flat rate allowances).
- d) The **usual policy** of the Ben/PP for travel and subsistence costs **has to be documented**, either through internal regulation or through accounting records for similar trips paid prior to the project implementation.

ELIGIBLE COSTS: 2. TRAVEL AND SUBSISTENCE (3)

Eligibility conditions:

e) **Travel costs normally include:**

- Fuel (vehicles belonging to the Ben/PP only)
- Kilometer costs (in case of private car rental)
- Taxi or car rental (only when public transportation is not available)
- Public transportation (trains, planes, buses, etc.)

f) **Subsistence costs may include:**

- Accommodation / Meals
- Local travels / Sundry Expenses



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 3. INFRASTRUCTURES (1)

Eligibility conditions:

- a) Basic facilities, and installations providing services needed for project implementation (including also Public works for restoring/adapting existing infrastructures). Feasibility studies have to be reported under external services).
- b) Only if they were **thoroughly identified and justified in the submitted e-form**, and their environmental impact was described.
- c) They must be purchased following **specific procurement procedures according to the thresholds** indicated in art. 52, 55 and to 56 of the ENI Implementing Regulation 897/2014.



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 4. EQUIPMENT AND SUPPLIES (1)

Eligibility conditions:

- a) **Purchasing or leasing** costs for equipment and durables (new or used) specifically identified in the e-form and exclusively devoted for the purpose of the project including their installation and transportation costs;
- b) Equipment refers to all durable goods with a **lifetime of at least one year** that are listed in the **inventory of durable goods** of the organization.
- c) When the lifetime of the equipment extends beyond the project duration, the **full equipment cost is eligible** (not only the depreciation part)
- d) The **artificial split of tenders is an illegal procedure** and the related costs are not eligible



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 4. EQUIPMENT AND SUPPLIES (2)

Eligibility conditions:

- e) Equipment for projects operations such as computers, office furniture **has to be purchased within the first semester** of project implementation;
- f) Equipment related to project activities **may be purchased all over project life according to the approved GANTT** chart;
- g) Supplies are purchased following specific procurement procedures according to the thresholds indicated in art. 52, 54 and to 56 of the ENI Implementing Regulation 897/2014 and the **rule of origine** if above 100.000 euro (see art. 9 of Regulation (EU) No 236/2014);
- h) equipment and vehicles whose unit cost is more than EUR 5.000 MPCs per item, **must be transferred** by the end of the project to the beneficiaries.



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 5. SUBCONTRACTED SERVICES

Eligibility conditions:

- a) Support technical and financial project management, external expenditures verification (max. 3% total direct costs) , information and dissemination activities, evaluations, translation, etc. and financial services costs, in line with market prices;
- b) Services are purchased following specific procurement procedures according to the thresholds indicated in art. 52, 54 and to 56 of the ENI Implementing Regulation 897/2014 and the **rule of nationality** (see art. 8-9 of Regulation (EU) No 236/2014);
- c) It is **not possible to subcontract the bulk of the project** to any third parties *including in-house organisations*.



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

ELIGIBLE COSTS: 6. OTHER COSTS

Eligibility conditions:

- a) Any cost not falling in the scope of the previous budget lines should be reported under the “Other costs” budget line.
- b) **Sub-grants:** financial support to third parties (also physical persons) to be involved in the implementation of some project activities proposal (for example the need for involving Start-up companies to carry out a pilot project etc.) and **only if duly justified and explained in the E-form.**
- c) Max. 60.000 euro per sub-grantee located in **the countries involved in the partnership.** These costs will be reported to the organization which granted the amount according to the same eligibility rules showed in this presentation, for each cost category.



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

Non eligible costs (art. 49 of the IR 887/2014)

The following cost will always be considered as Ineligible costs

- a. Debts and charges (interest), Loans, fines, and expenses of litigation
- b. Provisions for losses or liabilities;
- c. Purchases of land or buildings for an amount exceeding 10 % of the eligible expenditure of the concerned project;
- d. Exchange-rate losses;
- e. Duties, taxes and charges, including VAT, except where non-recoverable under the relevant national tax legislation, unless otherwise provided in appropriate provisions negotiated with CBC partner countries, as per the provisions of the related Financing Agreement;
- f. Costs for project website and logo (see section 2.6 “Communication and visibility for more information”).

Non eligible costs: specific Programme rules

The following cost will always be considered as Ineligible costs (not exhaustive list):

- a. Subcontracts to project partners/associated partners;
- b. Costs related activities implemented out of the eligible area without prior authorization of the MA;
- c. Purchases of equipment the last semester of implementation unless supported by evidence to carry out activities of the project;
- d. Expenditures not foreseen in the budget (over budget);
- e. Expenditures not in line with the specific eligibility rules of the respective cost categories.

Indirect costs

Administrative costs

- a) They will be eligible for flat rate funding, **at the percentage indicated in the E-form.**
- b) **No documents** have to be produced to justify these costs during the reporting.
- c) The **MA may request** supporting evidence to verify the actual calculation method during the project implementation period.
- d) Within the first interim report, the **external auditor will need to check the calculation method of the amounts** indicated in the “administrative cost calculation file” which was submitted together with the E-form.

Administrative costs

- a) They will be eligible for flat rate funding, **at the percentage indicated in the E-form.**
- b) **No documents** have to be produced to justify these costs during the reporting.
- c) The **MA may request** supporting evidence to verify the actual calculation method during the project implementation period.
- d) Within the first interim report, the **external auditor will need to check the calculation method of the amounts** indicated in the “administrative cost calculation file” which was submitted together with the E-form.

Contingency reserve

- a) A contingency reserve exists only if it was indicated so in the E-form and the percentage chosen in the e-form can't be modified.
- b) It can only be used with the prior written authorization of the MA only in the case unforeseen circumstances are evidenced in a formal request from the Beneficiary to the MA/JTS.
- c) Delays in project implementation are not considered unforeseen circumstances if they are not fully independent from the Ben/PP which is facing them