



ENI CBC MED

Training Session for BENs/PPs and Auditors

Eligibility of the expenses

**Greek BEN/PPs and Auditors,
11th February 2021**

Table of contents

- Eligible costs
 - ✓ general rules of eligibility
 - ✓ direct costs v/s Indirect costs/ cost categories
- Non eligible costs
- ✓ Useful tips
- ✓ FAQ
- ✓ News!
- ✓ Warnings



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

GENERAL RULES ON ELIGIBILITY OF EXPENSES



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

IR 897/2014, art.48.2 let a)-g)

- ✓ Incurred during the implementation period of the project
- ✓ 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 (i.e. contracts, invoices, proofs of payment documents etc.)



FAQ

What about the expenditure verification and final evaluation expenses or preparatory costs, falling before/after the project implementation?

**AN EXCEPTION TO THE
«ACTUAL COST RULE»
FORESSEEN ONLY IN
THESE SPECIFIC CASES!**

ELIGIBLE COSTS



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

DIRECT COSTS

- ✓ **To be incurred** by each organization involved in the partnership
- ✓ **To be supported** by original expenditure documents as well as by the occurred payment documents
- ✓ Belonging to different **COST CATEGORIES OR BUDGET COST CATEGORIES**

COST CATEGORIES

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

0. Preparatory costs

- ✓ incurred after the publication of the call for proposals and before the deadline for the submission
- ✓ not exceeding the amount of 10.000 euro at project level
- ✓ travel and subsistence costs only for staff employed by the Beneficiary and/or the Partners
- ✓ proven by supporting documents
- ✓ reported in the first interim report

1. Human Resources

- ✓ Costs related to the actual time worked for the implementation of the project by the permanent or temporary (ad hoc recruited) employees of the LB and PPs organisations;
- ✓ Staff costs from non-partner organizations are not eligible;
- ✓ Actual gross salaries costs including social security charges and other components deriving from the national legislation of the country;
- ✓ Salaries and other costs must not exceed those normally borne by the LB and/or the PPs (duly justified);
- ✓ Unpaid voluntary work is not eligible.





FAQ

Are the incentives or performance bonus of the HR involved into the project implementation eligible?

NO!

Can overtime be charged to the project under the Staff costs category?

Only if the total job time of the concerned staff is devoted to the project.



NEWS

New templates soon available on the Programme website: Timesheet, Assignment, Activity Report

- ✓ avoiding multiple assignment of the same HR to different projects in the same working period
- ✓ clear statement of time and activities performed by the HR involved into the projects

2. Travel and Subsistence

- ✓ incurred by staff or any other person taking part in the project and having a clear link with project activities (e.g., stakeholders or participants invited to project events).
- ✓ subsistence costs can either be reported as “reimbursed costs” or “per diem” (reimbursed on the basis of flat rate allowances).

2. Travel and Subsistence

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.)

Subsistence costs may include:

- ✓ Accommodation / Meals
- ✓ Local travels / Sundry Expenses



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA



FAQ

What about travel and subsistence costs for external experts and service providers involved into the project implementation?

THESE COSTS FALL UNDER THE EXTERNAL EXPERTISE CC.



FAQ

Are first class tickets eligible under the Travel cc?

AS A GENERAL RULE, FOR TRAVEL THE MOST ECONOMIC FORM OF TRANSPORT MUST BE USED – E.G. ECONOMY CLASS AIR FARES – WHERE ‘ECONOMIC’ DOES NOT MEAN THE ‘CHEAPEST’ BUT THE BEST VALUE/PRICE RATIO

WARNING

**STRONGLY RECOMMENDED TO AVOID
PAYMENTS IN CASH AS THEY RESULT IN
NON-IDENTIFIABLE AND NON-
VERIFIABLE EXPENSES!**



Programme funded by the
EUROPEAN UNION



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

3. Infrastructures

Basic facilities, and installations providing services needed for project implementation

- ✓ **thoroughly identified and justified in the submitted e-form,** and their environmental impact was described.
- ✓ following **specific procurement procedures according to the thresholds** indicated in art. 52, 55 and to 56 of the ENI Implementing Regulation 897/2014.



FAQ

Can public works for restoring/adapting existing infrastructures be included into the Infrastructure cc?

YES!

4. Equipment and supplies

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

- ✓ following **specific procurement procedures according to the thresholds** indicated in art. 52, 55 and to 56 of the ENI Implementing Regulation 897/2014.



FAQ

Can I purchase PC, tablet whenever I need during the project life?

NO! THIS KIND OF EQUIPMENT MUST BE PURCHASED WITHIN THE FIRST 6 MONTHS OF THE PROJECT IMPLEMENTATION

WARNING

**CHECK THE ANNEX 7.3,PIM ON
PROCUREMENT PROCEDURES TO BE
HELD BY PRIVATE ENTITIES AND ANNEX
1, DMCS ON SPECIFIC PROCEDURES TO
BE ENSURED AT NATIONAL LEVEL**



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

5. Subcontracted Services

external service providers who are subcontracted to carry out certain tasks/activities linked to delivery of the project (e.g. external expenditures verification, studies, information and dissemination activities, short-term equipment rental for events organisation, evaluations, translation, etc.) and financial services costs such as the cost of bank transfers and financial guarantees.



BEAR IN MIND THE DIFFERENCES BETWEEN HR AND EXTERNAL EXPERTS! (PIM, CH 7)



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA


6. Other Costs

Sub-grants: financial support to third parties (also physical persons) to be involved in the implementation of some project activities and **only if duly justified and explained in the E-form.**

- ✓ Max. 60.000 euro per sub-grantee



NEWS



**A Vademecum on subgrants and how to
design a subgrant call soon available on the
Programme website!**



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

Indirect costs:

Administrative costs

Administrative costs: indirect costs incurred by the Lead Beneficiary and its partners.

- ✓ Eligible for flat rate funding, up to a maximum of 7% for each partner direct costs excluding infrastructures costs as resulting from the “administrative cost calculation file” submitted with the e-form.
- ✓ No supporting documents have to be produced to justify these costs during reporting.
- ✓ Administrative costs are not eligible if the LB / partner has received an “operating grant ” financed by the EC.



What is an operating grant?

A grant to finance the operating expenditures of a EU body that is pursuing a general European interest or an objective that forms part of a EU policy.

NO DOUBLE FUNDING!!



REGIONE AUTÒNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA

Indirect costs:

Contingency Reserve

Contingency Reserve: not exceeding 3% of the direct eligible budgeted costs.

- ✓ It can only be used with the prior written authorization of the MA
- ✓ evidence of the unforeseen circumstances which led the project to request the use of the contingency reserve
- ✓ the request must contain the type of cost to be covered, any justification on its calculation as well as the number of partners which will need to use it



FAQ

Can I ask for a
budge/project change in
order to amend the
amount of the
administrative costs or
contingency reserve?

**NO! UNDER NO
CIRCUMSTANCES**

Non eligible costs (IR 897/2014, art. 49 let. a)-f))



- 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.

THANK YOU FOR YOUR ATTENTION

MERCI

شكراً



REGIONE AUTÓNOMA
DE SARDIGNA
REGIONE AUTONOMA
DELLA SARDEGNA