

Management Procedures

INTERREG V-A Greece - Bulgaria 2014 - 2020

Project Acronym: SOCIAL PLATE

Project Title: Supporting Social Enterprises in combating poverty and social exclusion

Kick off meeting - Thessaloniki, 08/03/2018

Key Documents

1. Subsidy Contract & Partnership Agreement
2. Program and Project Implementation Manual
3. Project implementation guidelines for Bulgarian partners
4. Specific Guidelines for Greek Beneficiaries for Project Implementation Procedures and Eligibility of Expenditure of ERDF European Territorial Cooperation Programmes
5. Ministerial decision of the management and control system of the ETCP, 300488/YΔ1244 (ΦΕΚ 1099, Τεύχος Β', 19/04/2016)
6. First Level Control (FLC)_Guidance and files on verification of expenditure
7. Information and Publicity Guide
8. Progress report Guidelines

LB's responsibilities

Management

- ▶ Is the contact point representing the partnership for any communication with the JS/MA or any other of the Programme Structures
- ▶ Is responsible for the overall coordination, management and implementation of the project vis-à-vis the Managing Authority.
- ▶ Sets the management team of the project
- ▶ Prepares and submits progress reports
- ▶ Shall address requests for project modifications

Financial Monitoring

- ▶ Ensures that the expenditure presented by the partners participating in the project has been incurred for the purpose of implementing the project.
- ▶ Receives the ERDF contribution for the entire project and transfers it to the other partners participating in the project within one month of its receipt.

PB's responsibilities

- ▶ Carry out the specific activities set out in the Application form;
- ▶ Provide all information and data to the LB that is required by the latter (information for the progress report etc)
- ▶ Submit expenditure for verification to the designated Controllers. The issued certificates must be submitted to the LB every 3 months, in order to assist the reporting and reimbursement procedures, unless requested by the JS at a different time.
- ▶ Notify the LB of any factors that may negatively affect implementation of the project in accordance with the work plan.

Reporting procedures (1)

- The Lead Beneficiary is responsible for the submission to the Joint Secretariat (JS) of progress reports on project implementation activities
- All project beneficiaries have to submit on time their input (financial & technical part) to the LB
- LB uses the official forms (Progress Reports), which are provided by the MA/JS
- LB will still abide by the deadlines for submission of the reports even if there is missing information
- LB will add the missing information in the next reporting period
- All reports must be submitted in English

Reporting Procedures (2)

For the thorough monitoring of the project's implementation a “Progress Report” is submitted to the JS by the Lead Beneficiary, every six (6) months.

Reporting Periods	Deadlines for the submission of progress reports
January - June	20 th of July of the respective year
July - December	20 th of January of the following year
Final report	2 months after the issuance of all the certificates of all the project beneficiaries

Eligibility of Expenditures

The expenditure is eligible since:

- ▶ They correspond to actions, services or products described in the Application Form of a project and if they are foreseen in the approved budget of the project under a specific budget line.
- ▶ They are executed by the beneficiary and they are paid in the approved period of the project.
- ▶ They comply to the financial and the labour legislation of the country.
- ▶ They are paid by invoices or any other documentation of equal value.
- ▶ They reflect the present account system of the beneficiary.

Eligibility of Expenditures

Staff Costs

Expenditure on staff costs shall consist of gross employment costs of staff employed by the PB in one of the following ways:

- i. full time;
- ii. part-time with a flexible number of hours worked per month;
- iii. part-time with a fixed percentage of time worked per month; or
- iv. on an hourly basis.

Expenditure on staff costs shall be limited to the following:

- i. relating to responsibilities specified in the job description of the staff member concerned;
- ii. in accordance with the legislation referred to in the employment document and with standard practices in the country and/or organisation where the individual staff member is actually working;
- iii. The monthly timesheets;
- iv. The salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken, fixed in an employment / work contract
- v. Signed payment rolls.

Eligibility of Expenditures

Travel and Accommodation

- ▶ They are eligible only for the staff of beneficiary organisations that relate to delivery of the project.
- ▶ Travel and accommodation of experts, external to the project partnership under **External expertise and services**.
- ▶ Maximum daily rates for hotel and subsistence should be respected, in line with national legislation or internal policy of the partner organisation.

Expenditure on travel and accommodation costs is limited to the following items:

- (a) Travelling costs;
- (b) accommodation;
- (c) visa;
- (d) daily allowances.

Eligibility of Expenditures

Office and administration costs

Eligible cost: Operating and administrative expenses of the beneficiary organisation that support delivery of the project activities.

Reimbursement options: **Option I:** Real costs
Option II: Flat rate

Eligibility of Expenditures

Equipment

Expenditure for the financing of equipment either purchased, or rented or leased by a partner, necessary to achieve the objectives of the project. Equipment expenditure is limited to the following items:

- ❑ office equipment;
 - ❑ IT hardware and software;
 - ❑ furniture and fittings;
 - ❑ laboratory equipment;
 - ❑ machines and instruments;
 - ❑ tools or devices;
 - ❑ vehicles;
 - ❑ other specific equipment needed for operations.
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- ▶ Equipment has to be purchased in compliance with public procurement rules.
 - ▶ Equipment can only be funded by the programme if no

other EU funds have contributed towards the financing of this equipment.

- ▶ Supporting documents for the verification of expenditure:
 - Evidence of compliance with the applicable EU, national and internal procurement rules,
 - Invoice (or a supporting document with equivalent probative value to invoices, in case of depreciation),
- ▶ **Depreciation** may be considered, under the following cases:
 - Purchase cost of equipment is not requested (the equipment must have been purchased before the initiation of the project)
 - There is a justified methodology for partial distribution of the time allocated to the specific project.

Eligibility of Expenditures

External expertise and services

Include expenditure paid on the basis of contracts or written agreements, against invoices or requests for reimbursement to external service providers who are subcontracted to carry out certain tasks/activities linked to delivery of the project, such as:

- ☐ studies or surveys;
- ☐ training;
- ☐ translations;
- ☐ IT systems and website development;
- ☐ promotion, communication, publicity or information;
- ☐ financial management;
- ☐ services related to the organisation and implementation of events or meetings;
- ☐ participation in events;
- ☐ legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services;
- ☐ intellectual property rights;
- ☐ verifications (i.e. first level control costs);
- ☐ the provision of guarantees by a bank or other financial institution;
- ☐ travel and accommodation for external experts, speakers, chairpersons of meetings and service providers;
- ☐ other specific expertise and services needed for operations.

Eligibility of Expenditures

External expertise and services

Supporting documents for the verification of expenditure:

- ▶ Evidence of the selection process, in compliance with the applicable EU, national and internal public procurement rules. Any changes to the contract must comply with the public procurement rules and must be documented,
- ▶ A contract or other written agreements of equivalent probative value laying down the services to be provided with a clear link to the project,
- ▶ An invoice or a request for reimbursement providing all relevant information in line with the applicable accountancy rules,
- ▶ Proof of payment,
- ▶ Outputs of the work of external experts or service deliverable.

Eligibility of Expenditures

Infrastructure

- ▶ Covers costs related to investments in infrastructure that do not fall into the scope of other budget lines. The necessary studies, allowances must be met.
- ▶ This includes costs for example; site preparation, delivery, handling, installation, renovation, and purchase of land, when applicable.
- ▶ The following documents must be available for control purposes:
 1. Contracts and other related documentation (tender procedures, Selection committee decisions etc.).
 2. Invoices and / or other documentation ensuring the works in progress.
 3. Proof of payment.
 4. The necessary environmental studies and licenses.

Project Funding & Cash Flows (1)

Greek Beneficiaries

- ▶ Registration in the Public Investments Programme for the acquiring of a numbered account (Ενάρπιθος);
- ▶ Appointment of an account administrator (υπόλογος);
- ▶ Notification by the beneficiary to the MA/JS on the needed amount for the first allocation and for every allocation. The MA reserves the right to accordingly decrease a request for allocation by a beneficiary, if unused funds from previous allocations are still available in the account;
- ▶ Provided that enough credit is available, the allocation is granted by the PIP and performed via the account administrator;
- ▶ The allocations granted through the Public Investments Programme involve the amounts from both funding sources (ERDF and national co-financing);
- ▶ **Very Important:** Please consult the Guidance Circular on the operation of the Central Account 23/200850 (ΑΔΑ: ΩΖΘΙ465ΧΙ8-7ΧΙ).

Project Funding & Cash Flows (2)



Bulgarian Beneficiaries

- ▶ **Advance Payment:** It is estimated that 7-7.5% of the beneficiary's budget will be given as advance payment via the Paying Authority to the Lead Beneficiary, who will in turn transfer it to the respective beneficiaries. The issue is to be finalized with the signing of the MoU between the member-states. Furthermore, 80% of the national co-financing will be given as advance, after request to the Bulgarian National Authority;
- ▶ **ERDF:** After the submission of the certificates and their integration in the payment requests, ERDF reimbursement is received by the Certifying Authority and transferred to the Lead Beneficiary, who will in turn transfer it to the respective beneficiaries within one (1) month from its receipt. Transactions are performed in euro (€) and in whole, without deductions for bank charges, etc.;
- ▶ **National co-financing:** The national co-financing is ensured by the Ministry of Regional Development and Public Works.

Project Funding & Cash Flows (3)

General points

- ▶ For the sound financial management of the project, all project beneficiaries should have a dedicated, interest-free bank account;
- ▶ Payment of the eligible preparation cost should be included preferably in the first progress report

Project Modifications (1)

General Rules

- ❑ Not an automatic procedure
- ❑ Project Management Team consent needed in a written form in all types of modification
- ❑ Starts with a written justified request by the Lead Beneficiary to the Joint Secretariat
- ❑ Endorsement/approval by the relevant Programme management structure always needed
- ❑ ERDF ceiling and n+3 rule should be strictly observed
- ❑ Project objectives and expected results should be retained

Project Modifications (2)

Cases

Minor Modifications

- Administrative Information in the Application Form
- Bank information
- Justification of Budget adjustments not affecting the Application Form
- Implementation period of a Work Package within project duration
- Readjustments between budget categories or actions up to 10% of total budget of the Application Form

Modifications approved by the MA

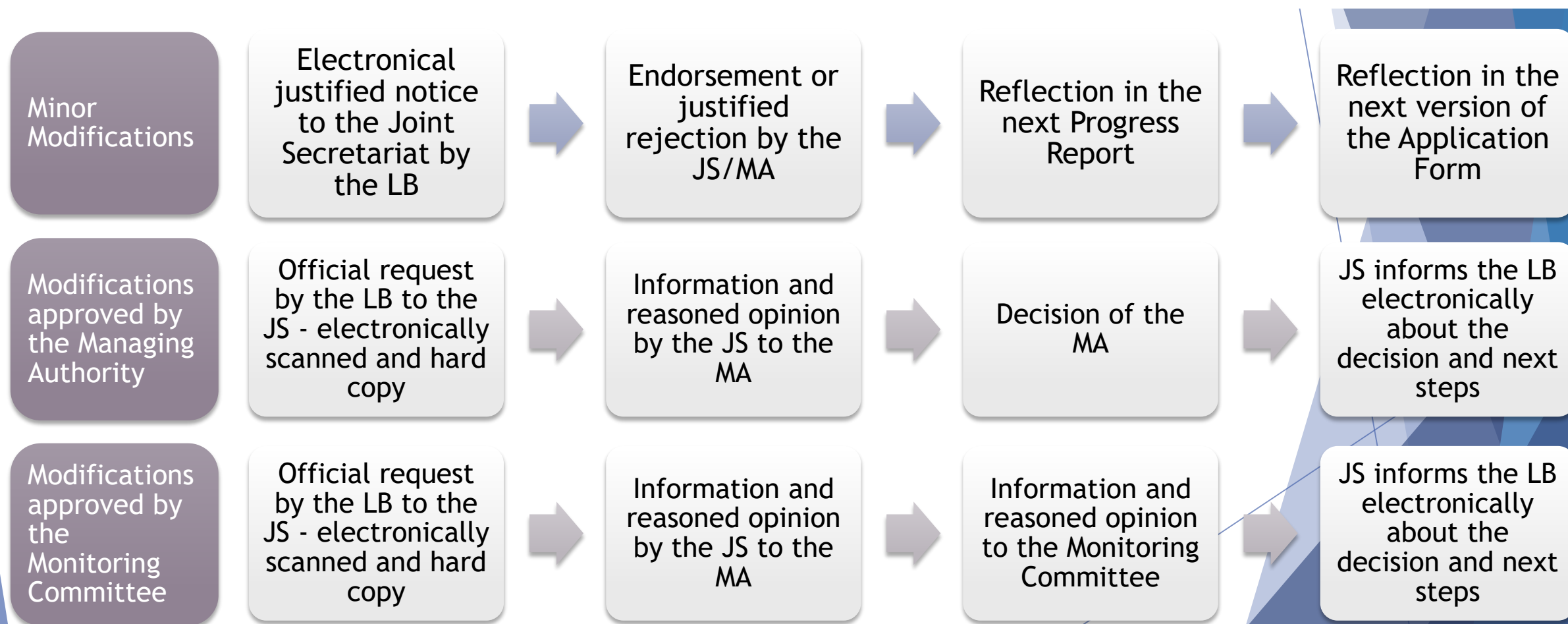
- Reallocations above 10% and up to 20% of the total budget of the Application Form
- Extension of the end date of project implementation
- Reallocation between beneficiaries from the same Member State up to 10% of the total budget of the Application Form

Modifications approved by the Monitoring Committee

- Reallocations between budget categories or actions greater than 20% of the total budget of the Application Form
- Reallocations between beneficiaries from the same Member State greater than 10% of the total budget of the Application Form
- Project structure / Composition of partnership / New activities
- Reallocations between beneficiaries from different Member States

Project Modifications (3)

Procedures



Project Modifications (4)

Modifications related to infrastructure works

- ▶ National legislation applies
- ▶ Project Beneficiary is responsible
- ▶ Before the modification the Joint Secretariat should be informed by the Lead Beneficiary to check whether this affects the scope of the project

Useful Contacts



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Thank you for your attention