Financial webinar

Interreg Baltic Sea Region 2021-2027

Online | 10 January 2023

MA/JS Interreg BSR
Welcome to the financial webinar

Moderator: Marcin Kaczmarski
Agenda

- **Warming-up** 13:00 – 13:15
- **Finances in core project** 13:15 – 14:30
- **Questions & BREAK** 14:30 – 14:45
- **Answers to your questions** 14:45 – 15:15
- **Final words** 15:15 – 15:20
Finances in core projects

- General rules for core projects
- Budget in core projects
General rules for core projects

Rostislav Zatloukal
Duration of core projects

**CONTRACTING**
- 4 months

**IMPLEMENTATION**
- 18 to 36 months

**CLOSURE**
- 3 months

- Implementation of project activities in line with the eligibility rules
- Final payment of project activities and administrative project closure

Day after project approval

Implementation end

Project end
General principles of eligibility for core projects

**Project budget**
- No specific size limits
- Seven cost categories (incl. preparation costs)

**Project partner budget**
- Each partner has its own budget
- Can be used only by given partner
- No combination with other EU funds
- Public procurement

**No service/supply/work contract**
- ... with own employees
- ... with partner itself (e.g. internal invoices)
- ... with other project partners

**Further points for budget planning**
- Varying VAT eligibility
- No gifts and awards
- No cost-sharing
- No double funding
Basic principles of reimbursement

- Reimbursement of costs
- Partner budget = Programme co-financing + own partner contribution

**EU partners**
- 80% of ERDF co-financing
- 20% own contribution

**Norwegian partners**
- 50% of Norwegian national co-financing
- 50% own contribution

- Reporting of costs and payment of Programme funds – in **EUR**
Management verification of core projects

- **Simplified cost options** - verified by MA/JS
  → Free, no budget to be planned!

- **Real costs** – verified by national controllers
  - Centralised control systems EE, FI, LV, PL, SE
    → Free, no budget to be planned!
  - Decentralised control system DE, DK, LT, NO
    → Not free, plan budget for the controller!
State aid to project partners

Assessment

- A partner’s entire Programme co-financing is either State aid or not
- Programme’s assessment: You do not have to provide State aid declarations
- Preliminary assessment result in State aid section of BAMOS+
- Universities and sectoral agencies are State aid relevant, but can require and justify a plausibility check
- Final assessment result is part of the Assessment Sheet and thus of the selection decision of the Monitoring Committee
State aid to project partners

Compliance measures

**Main and best one:** General Block Exemption Regulation, Article 20
- Up to EUR 2 million per partner, per project
- Can be used for all types of partners and project activities
- Equal co-financing rates and eligibility rules

**Exceptionally and with limitations:** De minimis aid
- EUR 200,000 for the current and the previous two fiscal years (EUR 100,000 for road transport for hire and reward)
- Not available for primary agricultural production, fishery and aquaculture
State aid to third parties

- **Non-financial support** through project partners’ activities
  - **Examples:**
    - Consultancy, product development or other subsidised services provided to companies
    - Access to research facilities for companies
    - Project output (e.g. digital service platform) transferred to a company

- Measure: General Block Exemption Regulation, Article 20a
  - **EUR 20,000 per third party, per project**
  - Project partner has to calculate
  - Elimination of the aid elements if the value is beyond EUR 20,000
Budget in core projects

Vaclav Kaplan, Łukasz Korpali
Forms of support

- Simplified Costs Options
- Real Costs
- Partner Report
Forms of support

Simplified Costs Options

- Unit cost
- Hourly rate
- Staff costs

- Flat rates
- % of staff costs
- Office & admin. Travel & accom.

- Lump Sums
- Pre-established amount
- Prep. costs
What can be planned?

CAT 0: Preparation costs
CAT 1: Staff costs
CAT 2: Office and administration
CAT 3: Travel and accommodation
CAT 4: External service
CAT 5: Equipment
CAT 6: Infrastructure and works

CAT = Cost category
Preconditions for reimbursement of preparation cost:

- For approved projects only
- Possibility stated in the announcement note
- Project applied in the application
- Project did not receive other EU funds for the development of this project application

Lump sum EUR 24,000 – EUR 19,200 Programme co-financing
Conditions:

- employment contract or equivalent
- 1,720 hours per full-time employee per calendar year
- productive hours only
Hourly rate

Pre-defined hourly rate
Per country
The same for each employee
Per productive working hour

STAFF COSTS
Hourly rate

- Scientist: EUR 29/hr
- Communication specialist
- Financial manager
- Project Manager
- Others
- Legal advisor

ESTONIA EXAMPLE

Co-funded by the European Union
Calculation

FOR STAFF COSTS PLANNING

1720 rule

Full-time
100% for project

1720 hrs/year

Part-time (50%)
100% for project

50% x 1720 hrs/year

Part-time (X%)
Y% for project

X% x Y% x 1720 hrs/year
Calculation

**STAFF COSTS**

- **Part-time (50%) scientist**
  - 20% for project, 1 year
  - \[29 \times 1720 \times 50\% \times 20\% \times 1 = 4,988\]

- **Full time project assistant**
  - 50% for project, 3 years
  - \[29 \times 1720 \times 50\% \times 3 = 74,820\]

- **Full-time project manager**
  - 100% for project, 3 years
  - \[29 \times 1720 \times 3 = 149,640\]

**YOUR BUDGET FOR STAFF COSTS – EUR 229,448**
Flat rate – 15 % of eligible staff costs

Automatic calculation

No supporting documents

Over or under-compensation possible
Flat rate – 15 % of eligible staff costs

Project partner’s own employees only

Automatic calculation

No supporting documents

Over or under-compensation possible
Calculation of CAT2 and CAT3

**STAFF COSTS BUDGET – EUR 229,000**

**OFFICE AND ADMINISTRATION**

FLAT RATE
15% OF STAFF COSTS

EUR 34,350

**TRAVEL AND ACCOMODATION**

FLAT RATE
15% OF STAFF COSTS

EUR 34,350

YOUR BUDGET SO FAR - **EUR 297,700**
Documentation:
- procurement documentation
- invoices
- proof of delivery of services
- payment proof
CAT 4 Calculation

YOUR BUDGET SO FAR - **EUR 297,700**

- Expert support – EUR 20,000
- Organisation of event – EUR 8,000
- Travel of external experts – EUR 5,000
- Promotional campaign – EUR 10,000

**EXTERNAL SERVICE**

**EUR 43,000**

YOUR BUDGET SO FAR - **EUR 340,700**
Full costs depreciation/rental/lease
Second-hand equipment possible

Equipment which is a productive investment
CAT 5 Calculation

YOUR BUDGET SO FAR - EUR 340,700

Laptop (full) – EUR 1,500
Laboratory consumables (full) – EUR 6,000
Slurry tank (2 months renting) – EUR 6,000

EQUIPMENT
EUR 13,500

YOUR BUDGET SO FAR – EUR 354,200
Design and realisation of infrastructure and works
Site preparation, delivery, handling, installation, renovation

Documents specifying the ownership of land or buildings
Durability
CAT 6 Calculation

YOUR BUDGET SO FAR – EUR 354,200

Revitalisation of peatland EUR 25,000
Construction of mobility point EUR 30,000

INFRASTRUCTURE AND WORKS
EUR 55,000

YOUR TOTAL BUDGET - EUR 409,200
Lead Partner. Budget Summary.

- Preparation costs – EUR 14,000
- Staff costs – EUR 229,000
- Office and administration – EUR 34,350
- Travel and accommodation – EUR 34,350
- External service – EUR 43,000
- Equipment – EUR 13,500
- Infrastructure and works – EUR 55,000

Lead Partner budget
EUR 423,200
Total project budget

- Partner 1: EUR 423,200
- Partner 2: EUR 250,500
- Partner 3: EUR 180,000
- Partner 4: EUR 60,000

TOTAL PROJECT BUDGET
Basic principles of reporting
Reporting process – core projects

- **Project Partner**
- **Partner report**
  - Activity + SCO
- **Lead Partner**
- **Progress report**
  - No national control

- **Partner report**
  - Real costs

- **National Controller**
  - No national control

**BAMOS+**
Payment process

Cumulative payment of requested co-financing

MA/JS → Lead partner → Project partner

Transfer of PP co-financing

Project partner

Transfer of PP co-financing

Project partner

Transfer of PP co-financing

Project partner
Final words
Gateway for applicants

interreg-baltic.eu/gateway

- Details about open calls
- Programme manual
- Information material: stay tuned
- Video tutorials: check available and stay tuned for more!
Stay tuned

Interreg-baltic.eu/subscribe-newsletter

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