



European Territorial Cooperation Programme

2014-2020

**FIRST LEVEL CONTROL
ADRION ELIGIBILITY RULES**

***MINISTRY OF ECONOMY & DEVELOPMENT
CERTIFYING & VERIFYING AUTHORITY***

Regulatory & Eligibility Framework

Regulation (EU, Euratom) No 2015/1929 of the European Parliament and of the Council of 28 October 2015 amending Regulation (EU, Euratom) No 966/2012 on the financial rules applicable to the general budget of the Union;

Regulation (EU) **No 1303/2013 (Common provisions regulation)** where Articles 6 and 65 to 71 give specific provisions on applicable law as well as on eligibility of expenditure;

Regulation (EU) **No 1301/2013 (ERDF regulation)** where article 3 gives specific provisions on the eligibility of activities under the ERDF;

Regulation (EU) **No 1299/2013 (ETC regulation)** where Articles 18 to 20 give specific provisions on eligibility of expenditure applicable to Programmes of the European Territorial Cooperation goal;

Commission Delegated Regulation (EU) **No 481/2014** containing specific rules on eligibility of expenditure for cooperation Programmes

Regulation (EU) No 236/2014 (Common implementing regulation) laying down common rules and procedures for the implementation of the Union's instruments for financing external action as far as the application of public procurement is concerned.

ADRION Cooperation Programme

-Programme guidance documents to projects issued by the MA/JS (e.g.: Programme Manual, Implementation Manual).

National rules:

- National legislation / [ΥΠΑΣΥΔ ΦΕΚ 1099/τΒ/19.4.2016](#)
- Institutional rules and regulations

General eligibility provisions and requirements

As a general rule, expenditure is eligible for funding if it fulfils all the following general eligibility requirements:

- It has occurred in the eligible period defined by the Programme and within the eligible period related to the duration of the project (max 24 months); exceptions refer to preparation costs and project closure costs:

Preparation costs have the form of a lump sum reimbursement and refer to any costs incurred by the partnership for the preparation of the application form between 1st of January 2014 and the day before the submission of the project proposal, for a maximum of EUR 11.800,00 for the strategic project: EUR 50.000 and only if listed in the application form. Any costs incurred by the projects between the date of submission of the AF and the date of signature of the subsidy contract (i.e.: between the end of the preparation period and the start of the implementation period) for fulfilling the conditions for improvement cannot be claimed as they are not considered part of the preparation costs.

Project closure costs refer to the finalization of all the legal and administrative obligations related to the granted activities, including the preparation of the last progress report, the final report and the reconciliation with the initial granted amount, if necessary; these activities take place after the project official finalization of activities reported in the AF and **can last not more than 3 months.**

- **It refers to costs occurred for the implementation of the project and in accordance with the proposal approved by the MC or its subsequent revisions approved by the Programme implementing bodies, if any;**
- **It is essential for the implementation of the project and it would not be incurred if the project is not carried out;**
- **It relates to a product or service foreseen in the approved project proposal that has been delivered and complies with publicity and information requirements;**
- **It is directly borne by the beneficiary and supported by accounting documents justifying incurred expenses/payments (invoices, pay rolls...) except for costs calculated as flat rates and lump sums;**
- **It relates to an activity which has not benefitted from financial support by another public source (double funding);**
- **principle of sound financial management (efficiency, effectiveness and economy);**

- It complies, if required, to the public procurement rules applicable in that Partner State;
- It is registered in the beneficiary's accounts through a separate accounting system or an adequate accounting code set in place specifically for the project;
- It is not in contradiction with specific Programme rules;
- It has been validated by an authorised national controller;
- **It is incurred within the ADRION Programme area**

As a general rule, ERDF contribution must support actions implemented in the Union part of the programme area.

*In relation to the above, and in accordance with art. 20 of Regulation (EU) No 1299/2013, the ADRION programme accepts the implementation of activities by ERDF PPs outside the Union part of the programme **area but within the programme area** (i.e.: IPA Partner States) on condition **they are reported in the AF as eligible costs activities or prior accepted by MA/JS** on a case by case basis.*

Costs of activities implemented by ERDF PPs outside the Union part of the Programme area but within the programme area cannot exceed 20% of the ERDF support to the total project budget

Non-supported activities and non-eligible expenditure

- In kind contributions (in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices, or documents of equivalent probative value, has been made);
- Interest on debt;
- Purchase of land;
- Recoverable value added tax (VAT), except where it is not recoverable under national VAT legislation;
- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs for 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;
- Charges for national financial transactions.

The Programme also considers as not eligible the following expenditure:

- Under travel and accommodation budget line, the cost of taxis shall not be reimbursed, except when it can be **demonstrated that no public transport was available at the time and place needed**
- Costs for alcoholic beverages;
- Costs for the creation of a project web site, as ADRION will offer in its web site space for all funded projects in order to guarantee a coordinated visibility, unless duly justified;
- Heavy investments, infrastructures and works, as described by the Directive 2014/24/EU, Annex II

Additionally, revenues, i.e.: cash in-flows directly paid by users for the goods and/or services provided by the project, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services shall reduce the eligible expenditure and consequently the granted amount, with the exception of those operation whose total eligible budget does not exceed EUR 1.000.000.

The practice of shared costs shall not be allowed, i.e.: the costs incurred for activities carried out by one partner - or under its responsibility by a sub-contractor – and covered by more than one PP (the practice of splitting cost items paid by one partner among PPs), even in cases where such activity is for the benefit of the whole project partnership. The budget allocated to a PP shall fully reflect the activities actually implemented by that partner.

Detailed Eligibility Rules – Staff Costs

- Salary payments related to the activities which the entity would not carry out if the operation concerned was not undertaken
- Payments to natural persons working for the beneficiary under a contract other than an employment/work contract may be assimilated to salary payments and such costs are **eligible under staff costs only when the following conditions are met:**
 1. The person works under the beneficiary's instructions and, unless otherwise agreed with the beneficiary, on the beneficiary's premises;
 2. The result of the work carried out belongs to the beneficiary;
 3. **The costs are not significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary;**
 4. **Απαίτηση ΥΠΑΣΥΔ (αρθ.26, παράγραφος 5):**

Το προσωπικό του δικαιούχου δεν επιτρέπεται να απασχολείται στην πράξη στη βάση σύμβασης παροχής υπηρεσιών (υπεργολάβος) ή σύμβασης μίσθωσης έργου.

Detailed Eligibility Rules – Staff Costs

Staff costs shall be budgeted and reimbursed according to one of two options:

- Staff costs reimbursed based on real costs;
- Staff costs reimbursed according to the flat rate.

Detailed Eligibility Rules – Staff Costs

Type of assignment	Eligible costs	Time sheets	Required documentation
Full time	100% of the gross employment costs	NO	<ul style="list-style-type: none"> • Employment/work contract or an appointment decision/contract considered as an employment document; • Job description providing information on tasks related to the project; • <u>Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period;</u> • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution.

Detailed Eligibility Rules – Staff Costs

Type of assignment	Eligible costs	Time sheets	Required documentation
Part-time with a fixed percentage of time worked per month	The fixed percentage of the gross employment per month	NO	<ul style="list-style-type: none"> • Employment/work contract or an appointment decision/contract considered as an employment document; • Document setting out the percentage of time to be worked on the project per month (if not specified in the contract); • Overview on the monthly calculation for each reporting period; • Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period; • Job description providing information on responsibilities related to the project; • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution.

Detailed Eligibility Rules – Staff Costs

Type of assignment	Eligible costs	Time sheets	Required documentation
<p>Part-time with a flexible number of hours worked per month</p> <p>and</p> <p>Contracted on an hourly basis</p>	<p>The number of hours devoted to the project multiplied by the identified hourly rate.</p> <p>The hourly rate is calculated by dividing the latest documented annual gross employment cost/1720 hours (ref. Regulation (EU) No 481/2014)</p>	<p>YES</p> <p>Timesheet shall cover 100% of the actual working time of the employee)</p>	<ul style="list-style-type: none"> • Employment/work contract or an appointment decision/contract considered as an employment document (including information on the monthly working time; • Job description providing information on responsibilities related to the project; • Calculation of the monthly gross employment costs of the project based on the hours registered in the time sheet and the identified hourly rate; • Accounting document stating the latest total annual gross employment costs of the previous year; • Payslips or other documents of equivalent probative value; • Proof of payment of salaries and employer's contribution.

Staff costs reimbursed according to flat rate calculation

- Staff costs calculated according to the flat rate will be reimbursed for an amount equal to 20% of the sum of the costs incurred in the reporting period under all the other budget lines, except “staff costs” and “office and administrative expenditure”

Calculation and documents for the audit trail

- For staff costs calculated through the flat rate, beneficiaries do not need to document that the expenditure for staff costs has been incurred and paid or that the flat rate corresponds to the reality. Moreover, no accountancy is requested .

Obligations:

- It is however asked to report with **a summary description** of the tasks carried out and the outputs achieved by the employee in the project reporting period.
- the beneficiary has to demonstrate that it has **at least one employee** involved in the project. This is done through a self-declaration issued by the beneficiary's legal representative
- In case of small companies/association where no staff is employed and the work is provided by the company's owner(s), the legal representative of the company has to issue a self-declaration certifying that the owner(s) of the company has(have) directly worked in the project in the concerned reporting period.
- The veracity of self-declarations certifying that member(s) of the beneficiary's organisation are working in the project may be checked by any of the Programme bodies entitled to perform controls and audits.

Office and Administrative Costs – 10% of staff cost

- **Cost items comprised in the budget line are the following (exhaustive list):**
 - 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 beneficiary organisation;
 - Archives;
 - Maintenance, cleaning and repairs;
 - Security;
 - IT systems;
 - 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.

Travel Costs

- costs incurred by the partner organisation for travels and accommodation of its own staff necessary for the delivery of the project
- The following items are eligible under this budget line:
 - Travel costs (e.g. tickets, travel and car insurance, fuel, car mileage, toll, and parking fees)
 - Meals costs (other than catering)
 - Accommodation costs
 - Visa costs
 - Daily allowances

ADRION Program:

- no business or first class tickets for air transportation are eligible irrespective the fact that this may be allowed by internal rules of the beneficiary institution
- Accommodation costs can be accepted if they are in the middle price range, while higher price ranges must be duly justified in each case
- Beneficiaries must respect either their ordinary internal rules for travel and accommodation costs (if any), or (for all partners) N. 4336/2015 whichever is stricter

Travel Costs

- Travel and accommodation costs occurred outside the programme area are eligible only
 - if they have been previously authorised by the MA/JS (unless already foreseen in the approved application form);

Travel destinations

- ERDF PPs: there is no budget ceiling to be respected while defining the travel and accommodation costs related to travels inside the Union part of the programme area; travels outside the Union part of the programme area **but within the EU** are eligible but shall be duly justified (e.g. a travel to Brussels to present the project at the European Commission).
- ERDF PPs do not have to comply with any budget ceiling in case they travel outside the Union part of the programme area **but within ADRION**

Equipment Costs

- Cost of equipment is only eligible if **foreseen in the approved AF**. During project implementation, **purchase of any equipment not explicitly mentioned in the AF will have to be subject to prior approval by the MA/JS.**

2 categories:

1. Equipment necessary for the project implementation. When the exclusive use for project purposes and activities cannot be demonstrated, such costs are deemed to be covered under the office and administration budget line
2. Equipment considered as thematic and functional to the implementation of pilot actions. It can be a tool or a device that **remains in use by the target group after the completion of the project.**

Equipment -General principles of eligibility

- It is not financed from any other financial instrument (e.g. EU, national, international);
- It was not fully depreciated;
- It is not included under any other budget line;
- It was not purchased by another PP;
- It is incurred during the eligible project duration (e.g. for equipment that was purchased before the project start and not fully depreciated before and used for the project purposes, only the depreciation for the relevant project period is eligible);
- It is purchased respecting the relevant public procurement procedures;
- It is essential for the project and its features and functions are in line with the project needs;
- If co-financed by ADRION, it must comply with the visibility rules set by the Regulation (EU) No 1303/2013 Art 115 and the Commission Implementing Regulation (EU) 821/2014.

Equipment - Additionally

- Costs of office equipment already in possession ▶ under the budget line office and administration
- Consumables related to office equipment ▶ under the budget line office and administration
- Purchase costs of second-hand equipment can be eligible
- Only depreciation costs can be allocated to the project. The calculation of depreciation or equivalent division of shares of equipment should be done according to a justified and equitable method and be in line with the national or institutional regulations
- the equipment cannot be sold (i.e.: change of owner) for at least 5 years after the project end date.

External Expertise

- Studies or surveys
- Training
- Translations
- IT systems, modifications and updates
- Promotion, communication, publicity or information
- Financial management
- Services related to the organisation and implementation of events or meetings
- Participation in events (e.g. registration fees)
- Legal consultancy and notarial services, technical and financial expertise, other consultancy and accountancy services
- Intellectual property rights
- Provision of guarantees by a bank or other financial institution where required by the programme
- Travel and accommodation for external experts, speakers, chairpersons of meetings and service providers, representatives of Associated partners in case their participation is justified and contributing to the project content and activities;
- Other specific expertise and services needed for the project.

External Expertise

- When awarding external expertise and service contracts all PPs irrespective their legal status must ensure that EU and national rules on public procurement are respected
- Service providers cannot be PP organisations, including associated PPs.
- Project costs referring to tasks sub-contracted by the beneficiary to in-house bodies are eligible under external expertise and service budget line on condition that the following is met:
 - Costs incurred by the in-house body are charged **on a real costs basis** without any profit margin;
 - The sub-contracting to the in-house body of project related tasks complies with national and institutional **public procurement provisions in force**.

External Expertise

- **Contracts below EUR 2.500 (plus VAT) ▶▶ Invitation of three independent external providers**
 - **One compliant offer is sufficient**
- **Contracts of more than EUR 2.500 (plus VAT) ▶▶ Invitation of five independent external providers**
 - **One compliant offer is sufficient**
 - **Report on evaluation**
 - **Templates provided by the programme**

The following costs are not eligible under this category:

- **Basic courses (e.g. language, accounting, use of MS Office);**
- **PP employee cannot be paid as expert for the project;**

INVOICES - ANNULMENT

- Each invoice must be annulled in order to avoid double funding. The stamp must contain the following information:
 - the expenditure has been co-funded by ADRION programme
 - the number and the name (acronym) of the project;
 - If applicable, a statement on the share of expenditure claimed in the concerned project
 - Date of payment.
- Invoices or any other probative documents are available only electronically (no original can be identified) the minimum information listed above has to be incorporated in the subject and/or in the body of the electronic document:
 - a) Date when the service/equipment has been provided;
 - b) Reference to the Programme financially supporting the operation (described with number and acronym)
 - c) The amount claimed

Budget flexibility

- Budget flexibility allows projects to reallocate amounts according to the implementation's need, **among budget lines or work packages** by 20% or EUR 40.000,00 whichever is higher. Budget flexibility refers only to reallocations among work packages or budget lines, or both
 - The total budgets of PPs cannot be exceeded

How to proceed

The LP has to communicate the adjustments to the MA/JS through progress reports.

Budget flexibility cannot apply in the first six months of project implementation.

Compulsory prior communication to the MA/JS

Yes. MA/JS must be previously informed via email.

Exceeding the budget flexibility limits without a prior authorisation of the MC will result in the ineligibility of the amount exceeding the threshold