

Matrix of costs 2021-2027

Working group

Controllers' workshop/ Sofia, Bulgaria

Iuliia Kauk/ Interact / 16-17 May 2023

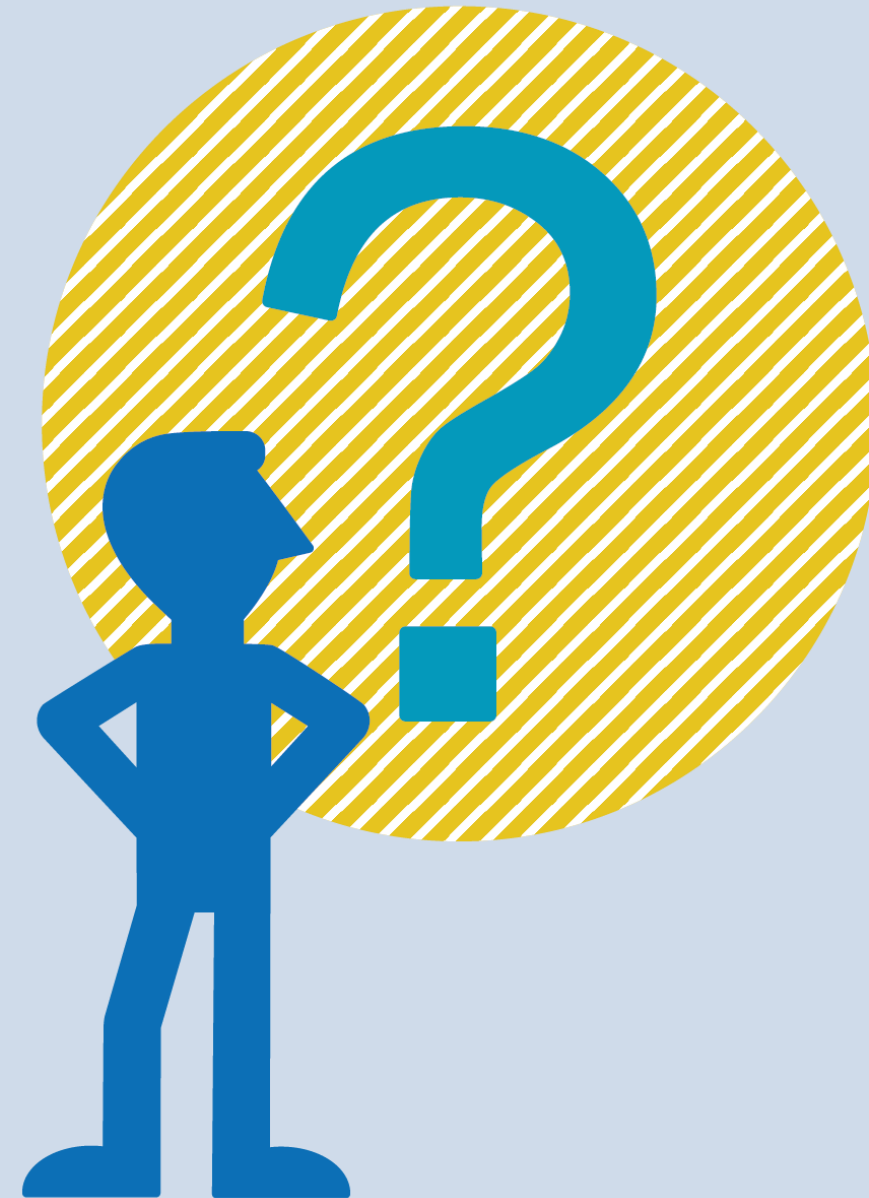
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Paving the way ...

- Do you know about the „Matrix of costs“?
- Have you used it in 2014-2020?
- Do you know about HIT eligibility fact sheets?
- Have you used them in 2014-2020?
- 2021-2027: Is/ will your programme using/ use HIT eligibility factsheets?



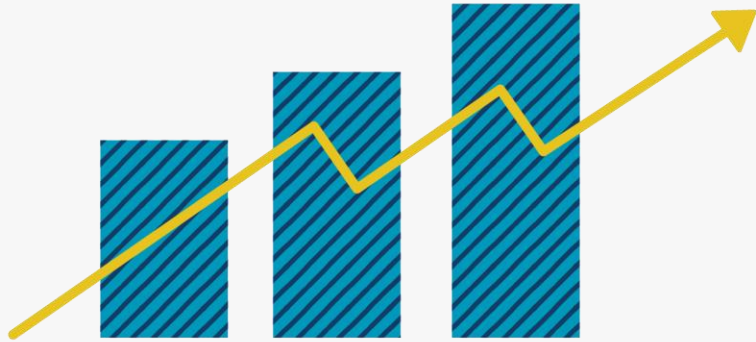
Foundations

- There is a solid basis for eligibility cases for Interreg programmes – **Interreg Regulation** (dedicated to each cost category, Articles 39-44 IR) **with, in most of the cases, exhaustive lists of eligible costs**;
- there is expertise and growing knowledge in this field (+ no dramatic changes when it comes to eligibility between the 2014-2020 and 2021-2027 programming periods).

BUT...

- In a number of cases, lists of expenditure under cost categories include items of a broader character (e.g., office supplies, studies, or surveys);
- for external expertise and services, and equipment costs, there is an option of having *other costs needed for operations*.

The matrix of costs is ...



IN SCOPE:

- a **collection** of examples of costs per cost category from Regulations, programmes' practices, and clarifications from the EC;
- a **guide on the allocation of expenditure under different cost categories** supporting programmes in their discussions on eligibility cases;
- a **harmonisation tool** to streamline approaches between programmes and make it easier for the beneficiaries and different programme bodies (*e.g., controllers*) to identify eligible expenditure under the appropriate cost category(ies);
- a **living** document.

The matrix of costs is not ...



OUT OF SCOPE

- A secondary legislation;
- a one-size-fits-all solution*.

*Article 38 of the Interreg Regulation:

(1) The participating Member States and, where applicable, third countries, partner countries, and OCTs, may agree in the monitoring committee of an Interreg programme that expenditure falling under one or more of the categories referred to in Articles 39 to 44 shall not be eligible under one or more priorities of an Interreg programme (e.g., financing projects with building permits only).

Interact publications on eligibility

2014-2020 programming period

- HIT factsheets for each budget line (6);
- [55 Questions & Answers](#): Eligibility of expenditure in cooperation programmes (elaborated in consultation with the EC);
- [Matrix of costs](#).

**

- Classification of expenditures' examples was done according to different sources (using color codes);
- Expenditures' examples grouped into 2 columns '*Considered Eligible*' and '*Ineligible*' accompanied by additional information – source/reference and comments/ points of attention.

EC Del. Reg. 481/2014	The expenditure is listed in the Commission Delegated Regulation (EU) No. 481/2014.
CPR 1303/2013	The expenditure is listed in the Common Provision Regulation (EU) No. 1303/2013.
clarification by EC	The example of cost is classified based on clarification provided by the European Commission.
Q&A on eligibility	The example of cost is classified based on guidance in the INTERACT Question & Answers on eligibility of expenditure in cooperation programmes.
INTERACT fact sheet	The example of cost is classified based on guidance in the INTERACT fact sheets on budget lines.
Basecamp	The example of cost is classified based on programme exchanges on Basecamp and the general agreement reached.
Name of event	The example of cost is classified based on agreements between programmes during INTERACT events, programme advisories, etc.

Matrix of costs – 2014-2020

STAFF COSTS

CONSIDERED ELIGIBLE (some of the costs may not be eligible based on programme/national rules)			INELIGIBLE			
Source/Reference	Expenditure	Comments/Questions	Source/Reference	Expenditure	Comments/Questions	
EC Del. Reg. 481/2014	Salary payment		EC Del. Reg. 481/2014	Costs related to fluctuation of foreign exchange currency		
EC Del. Reg. 481/2014	Employment taxes	Provided the cost is not recoverable by the employer.				
EC Del. Reg. 481/2014	Sickness benefits					
<i>Costs falling into the scope of social security branches covered by Regulation (EC) No 883/2004 of the</i>	Maternity and equivalent paternity benefits					
	Invalidity benefits					
	Old-age benefits					
	Survivors' benefits					
	Benefits in respect of accident at work and occupational diseases					
	Death grants					

OFFICE AND ADMINISTRATION

CONSIDERED ELIGIBLE (some of the costs may not be eligible based on programme/national rules)			INELIGIBLE		
Source/Reference	Expenditure	Comments/Questions	Source/Reference	Expenditure	Comments/Questions
EC Del. Reg. 481/2014	Office rent		Art 69.3 CPR 1303/2013	Recoverable VAT	only non-recoverable VAT borne by the project partners that may not be refunded or offset by the tax authorities, or by any other means, may be included in the progress reports
Basecamp	<i>Office rent:</i> Rent of office parking places	Provided it is part of office rent (one invoice).	Basecamp	Rent of office parking places	Ineligible if not part of office rent.
EC Del. Reg. 481/2014	Insurance related to the buildings where staff is located, e.g. fire, etc.		EC Del. Reg. 481/2014	Costs related to fluctuation of foreign exchange currency	
EC Del. Reg. 481/2014	Insurance related to the equipment of the office, e.g. fire, theft insurance, etc.			Administrative charges included in a contract with an external expert	Eligible under <i>External expertise and services</i> .
EC Del. Reg. 481/2014	Taxes related to the buildings where staff is located				
EC Del. Reg. 481/2014	Utilities				
EC Del. Reg. 481/2014	<i>Utilities:</i> electricity				
EC Del. Reg. 481/2014	<i>Utilities:</i> heating				
EC Del. Reg. 481/2014	<i>Utilities:</i> water				
EC Del. Reg. 481/2014	Office supplies				
Q&A on eligibility	<i>Office supplies:</i> pens, paper-clips, binders, etc.				
Q&A on eligibility	<i>Office supplies:</i> paper, photocopy toner				
Q&A on eligibility	<i>Office supplies:</i> coffee/biscuits for small project meetings				

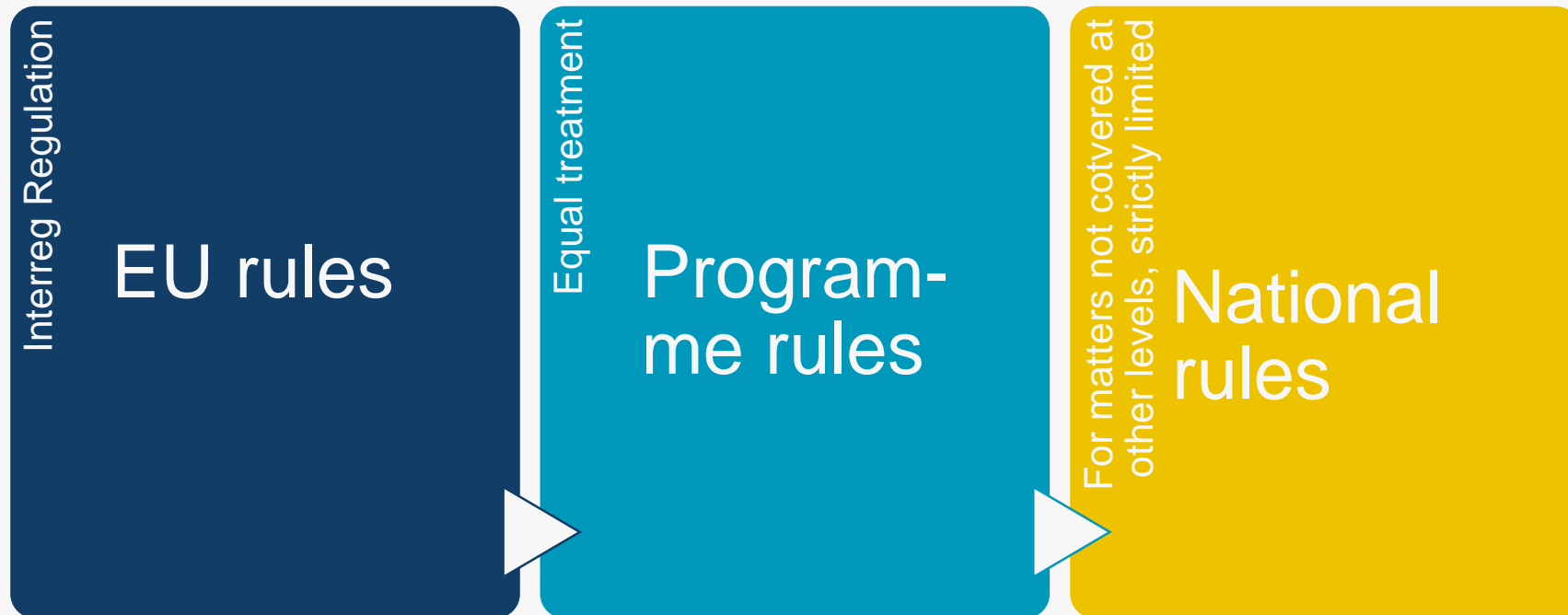


Matrix of costs 2021-2027



Eligibility of expenditure 2021-2027

Hierarchy of rules on eligibility of expenditure – recital (29) of the Interreg Regulation



Eligibility fact sheets

Interreg regulation, Articles 39-44

1. Staff costs
2. Office and administrative costs
3. Travel and accommodation
4. External expertise and services
5. Equipment
6. Infrastructure and works

7. + Technical assistance



6 fact sheets on cost categories (+ TA)

- WHAT costs
- HOW to calculate
- HOW justified

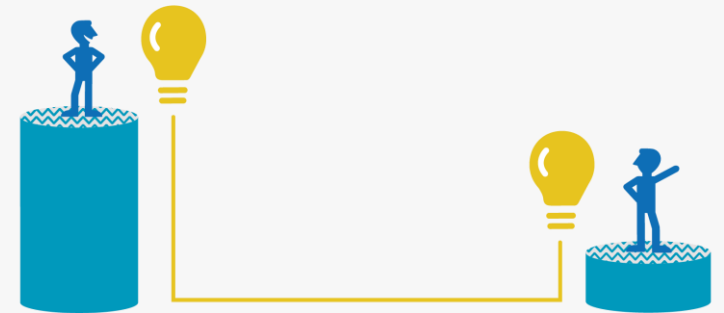
[Available on Interact website](#)

Update

NEW Factsheet is coming!

What to check and what not to check when verifying SCOs

- *In cooperation with the EC (audit unit)*
- *Reference point for controllers performing management verifications in Interreg programmes*



Matrix of costs 2021-2027

Working group agreements:

- The same purpose of the document (collection, guide, harmonisation tool);
- Scope (in/ out) will follow the same structure;
- The content of the 'old' Matrix is revised/ updated based on new CPR and Interreg Regulation;
- Sources for classification of expenditures reduced (no secondary legislation in 2021-2027, some are outdated, like "basecamp" – could be changed to online communities);
- Publication – library and the Eligibility of expenditures network.

Matrix of costs 2021-2027

HOW it will be done

- Working group established with Interreg programmes
- Dedicated online meetings (twice/year);
- Network on Eligibility of Expenditure – separate tread (under Forums) to collect examples/ questions on eligibility + other communities (+ our mailboxes);
- CBC/ TN finance networks' meetings (dedicated sessions) + **controllers' workshops** + other relevant meetings – collection of examples;
- Timeline – 2023-2024;
- Updates and input.

After 2024 – an ongoing collection of examples/ questions in online communities and from our mailboxes; subsequent updates of the document.

Matrix of costs 2021-2027 – Where are we?

Timeline for 2023

March	April/ May	June	By August	September	November 2023
Revision of the 'old' Matrix (Interact) – send to the WG for review (1 month)	Collection of remarks (+ <u>other collected feedback</u>) & integration of changes	The first draft of Matrix is ready and sent to the WG for review	Revision and review, updates	Publication of the first version of the Matrix	Review + possible updates with newly collected cases + <u>work planning for 2024</u>

+ Update of the [55 Q&A | Eligibility of expenditure in cooperation programmes](#) (in cooperation with the EC)

+ consultation of specific cases for the Matrix, if needed.

x		x		x		x		✓
x		x		x		✓		✓
x		✓		✓		✓		✓
x		x		x		x		✓
x		x		✓		✓		✓
x		x		x		✓		✓

Experience

Group work (55 mins)

HOW:

- Discuss matrix of costs
- Add other examples of costs falling under different cost categories based on your professional experience
- Report to the plenary



Coffee Break



Cooperation works

All materials will be available on:
www.interact-eu.net