

# AOB

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## Topics from the registration



# Topics from the registration



Could you clarify on which types of controls can be still done by the CA/ accounting function body on the expenditure / progress report level and which shouldn't be done?

- Regulations are very clear: The accounting function shall not comprise verifications at the level of beneficiaries (Article 76(2) CPR)
- The accounting function has no role in checking anything related to eligibility/ legality and regularity and reporting of beneficiaries; it is about drawing up the accounts and payment claims, receiving payments from the Commission, etc. (Article 76(1) CPR) (consistency of amounts needs to be checked still).

# Topics from the registration



Accounting function: payment claims vs management verifications  
by the MA

- 2 fundamentally different concepts!!!
- Accounting function – not about verifications at the beneficiary level; management verifications (internal control) – risk-based at the beneficiary level according to the methodology prepared by the MA/ MS in advance;
- MV of the MA also different to audits performed by the AA

# Topics from the registration



Submission interim payment application on SFC in 2021-2027 (is it possible to see an example on how to fill interim payment application through SFC -in particular TA flat rate will it be automatically calculated in SFC?)

Could you confirm that no supporting documents are needed to include these expenses (TA) in the payment application?

- Template for payment applications is available in Annex XXIII CPR
- TA flat rate calculated automatically in the system
- No supporting documents are needed, TA column is calculated automatically (see next slides).

# Practical implications - Payment applications

## Article 91 - Payment applications

[1., 2.]

3. Payment applications shall be submitted to the Commission in accordance with the **template set out in Annex XXIII** and include, for **each priority** and, where relevant, by category of region:

(a) **the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations** linked to specific objectives for which enabling conditions are fulfilled and operations linked to specific objectives for which enabling conditions are not fulfilled but contribute to the fulfilment of enabling conditions, as entered in the system of the body carrying out the accounting function;

[(b)-(d)]

4. By way of derogation from point (a) of paragraph 3, the following shall apply:

[(a)]

(b) **where the Union contribution is made pursuant to points (c), (d) and (e) of Article 51 [Forms of Union contribution to programmes], the amounts included in a payment application shall be the amounts determined in accordance with the decision referred to in Article 95(2) or the delegated act referred to in Article 95(4);**

(c) **for the forms of grants listed in points (b), (c) and (d) of Article 53(1), the amounts included in a payment application shall be the costs calculated on the applicable basis.**

[4bis., 5.]

# Practical implications - Payment applications Annex XXIII

Priority	Calculation basis	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)	Amount for technical assistance in accordance with point (b) of Article 91(3)	Total amount of public contribution made or to be made in accordance with point (c) of Article 91(3)
Priority 1	(A)	(B)	(C)	(D)	(E)
	Total	<p>Total amount of accepted expenditure at programme level (manual entry): Programme-beneficiary real costs and SCOs from Article 53 (Forms of grants)</p> <p>= Article 91(3)(a) – total amount of eligible expenditure incurred by beneficiaries – real costs; Article 91(4)(c) – SCOs.</p> <p>Real costs + SCOs from programme-beneficiary level</p>	<p>Total amount of Article 94 &amp; 95</p> <p>= EC – programme SCOs and FNLC</p>	<p>Calculated automatically.</p> <p>Basis = column (B) + column (C)</p>	<p>Article 1(5) CPR – Article 15 (enabling conditions) is not applicable to Interreg.</p>

# Payment applications - and in practice?

## Example

- Priority 1, PO 1
- SCOs used:
  - Unit costs (hourly rate) for staff costs (Article 94 – EU-programme)
  - 15% flat rate admin (off-the-shelf)
  - 10% travel & accommodation (off-the-shelf)
  - Lump sum events in external expertise (Article 94 – EU-programme)

Budget category	Amount €
Staff costs (Art. 94)	60.000
Admin costs (15% on staff)	9.000
Travel & accommodation (10% on staff)	6.000
External expertise, of which	15.000
Lump sum for events (Art. 94)	5.000
Real costs	10.000
Equipment	1.500
Infrastructure	0
Total	91.500

# Payment applications - and in practice?

Priority	Calculation basis (public or total)  (A)	Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations in accordance with point (a) of Article 91(3) and point (c) of Article 91(4)  (B)	Total amount of Union contribution pursuant to points (a) and (b) of Article 91(4)  (C)
Priority 1	<i>Total</i>	<p style="text-align: center;">€26.500</p> <p style="text-align: center;"><i>(programme-beneficiary SCOs + real costs)</i></p>	<p style="text-align: center;">€65.000</p>



# Payments and accounts

- The EC reimburses 95% of interim payments after the co-financing rate of the priority is applied (Article 93(2) CPR)
- Corrected amounts are only withdrawals (no recoveries) (Article 98(3)(b) CPR)
- Accounts are not admissible if the residual error rate is above 2% (Article 98(5) CPR)



# Topics from the registration



Will the EC and consequently AA verify the respect of 80 days deadline in payment to projects (lead partners – Article 74(1)(b) CPR)?

- Key requirement 4 for AA system's audit: Key requirement 4: Appropriate management verifications, including appropriate procedures for checking fulfilment of conditions for financing not linked to costs and for simplified cost options:
  - Point 4.6 - Payments to beneficiaries are done in full and no later than 80 days from the date of submission of the payment claim by the beneficiary. This deadline may be interrupted if information submitted by the beneficiary does not allow the managing authority to establish whether the amount is due.

# Topics from the registration



Jems - schedule for reporting and accounting function in Jems update; reporting flows.

# Topics from the registration



Do we have to submit zero accounts if there were no payment applications submitted during the accounting year?

- No obligation to submit "zero accounts" when no payment claims are submitted in a given accounting year – one of the simplification measures to reduce admin burden for programmes.
- Legal basis: Article 98(1) CPR: "For each accounting year for which payment applications have been submitted ..."

# Topics from the registration



Article 32 of the Interreg Regulation: Do we have to transmit to the EC cumulative data if there has not been a call for proposals yet?  
Do we have to transmit null data?

- Under clarification with EC colleagues, but
- Article 32 IR “Each managing authority shall electronically transmit to the Commission cumulative data for the respective Interreg programme by 31 January, 30 April, 31 July and 31 October of each year in accordance with the template set out in Annex VII to Regulation (EU) 2021/1060, with the exception of the information required in point (b) of paragraph 2 and in paragraph 3 of this Article that shall be transmitted by 31 January and 31 July of each year. **The first transmission shall be due by 31 January 2022 and the last one by 31 January 2030.**”

# Topics from the registration



The role / meaning of the Description of Functions and Procedures (DF&P) in 21-27 in the prospect of no designation procedure.

What is the required level of detail in the DF&P, esp. in scope of the Accounting Function: should it be just most important & general description? And then the specifics should be included in accounting body "implementation instruction/manual"? Or should DF&P cover everything?

# Wrap-up and closure

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What's next?



# Future of the extended network

- Continuation of current set-up (annual network meeting)?
- Different set-up (annual + dedicated sessions)?
- What kind of support you need? – Give us feedback in the evaluation form!
- Online community – join if you're not part of it yet! (contact Iuliia)





# Calendar

## Upcoming events

- 3 Nov (online) [7 CBC finance network meeting](#)
- 8 - 9 Nov (Prague) [SCOs in the new programming period](#)
- 8 Dec (online) TN/IN finance network

## Previous events

- 12 Sep [Investments & ... Climate resilience](#)
- 22 Sep [Programme closure 2014-2020](#)
- 14 Apr [What's new? 2021-2027 Interreg Regulation with DG Regio](#)
- 20 Apr [The new Interreg Regulation for external cooperation](#)
- 26-27 May [Audit Authorities network meeting](#)



# Stay in touch!



Please fill in our evaluation survey – link in chat!

Thank you in advance for taking the time!



Contact us if you have any questions!

# Cooperation works

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All materials will be available on:

[www.interact-eu.net](http://www.interact-eu.net)

