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Central Baltic Programme

CB Programme sharing of experience

Payment Claims to EC & recovery procedure

• **Florence Aalto** | 23.04.2024 | Vienna
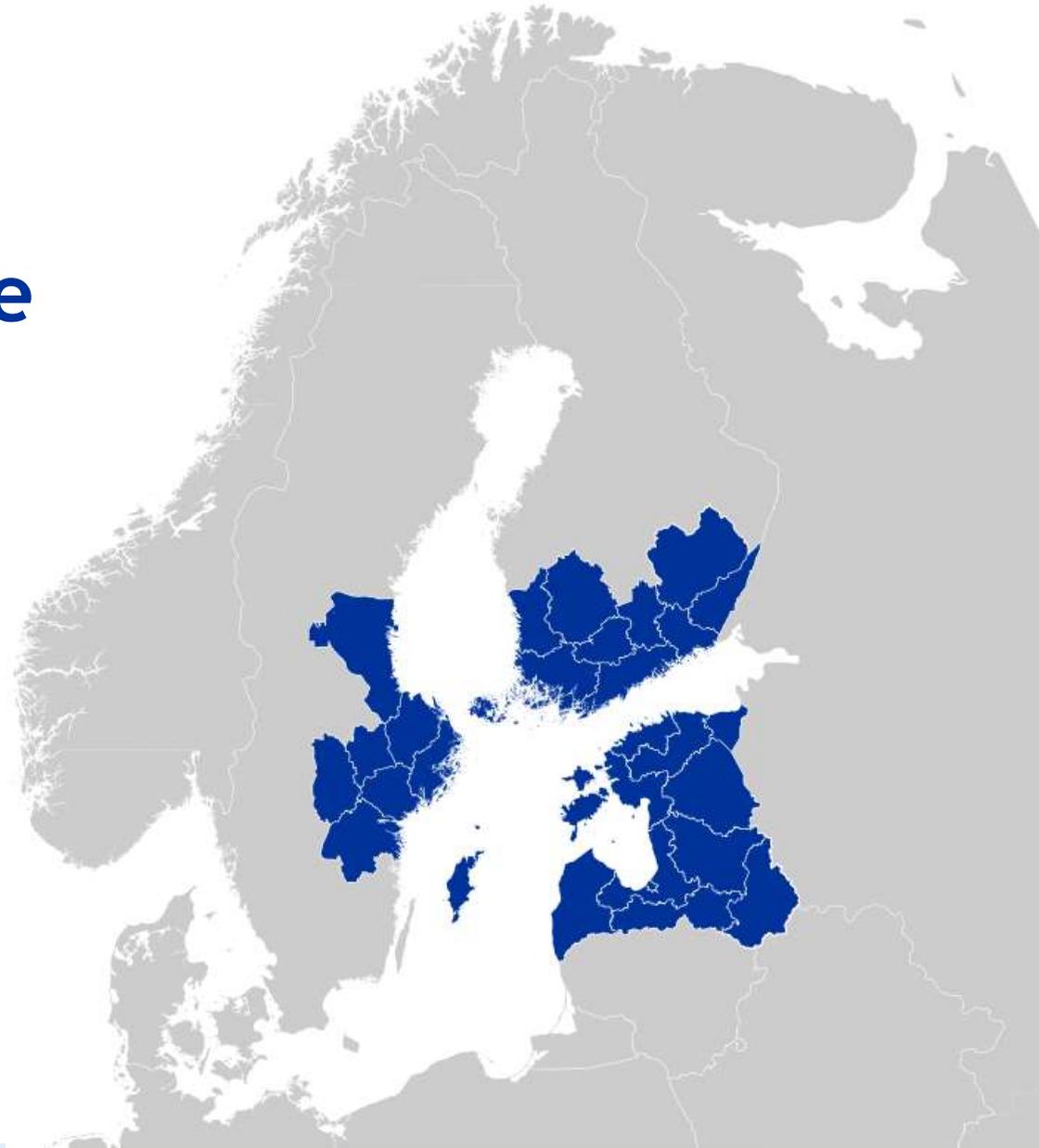
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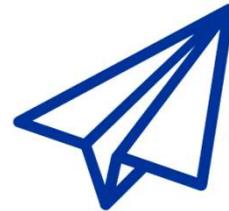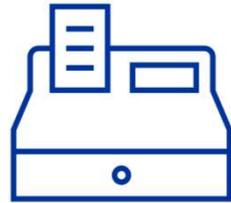# Central Baltic Programme 2021-2027 area

- Estonia
- Finland, including Åland
- Latvia
- Sweden

2021-2027
Payment claims
sent to the Commission
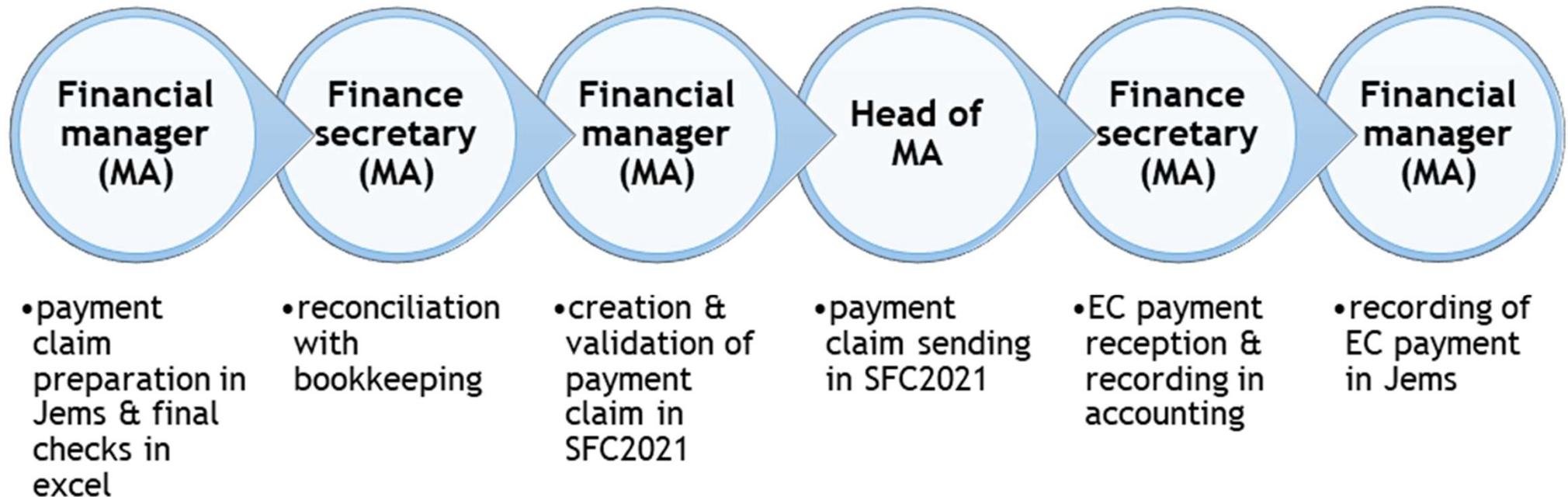
Payment claims status

PC.1

- Accounting year 01/07/2023 - 30/06/2024
- Sent on 13/12/2023
- Accepted by EC on 24/01/2024
- Payment received on 29/01/2024
- Remarks: some SFC fields not yet automatically filled, financial identification missing

PC.2

- Accounting year 01/07/2023 - 30/06/2024
- Sent on 09/04/2024
- Under review by the Commission
- Payment not yet received
- Remarks: some SFC fields then filled automatically, process much faster and easier

Our internal process

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Financial manager (MA)
- payment claim preparation in Jems & final checks in excel

Finance secretary (MA)
- reconciliation with bookkeeping

Financial manager (MA)
- creation & validation of payment claim in SFC2021

Head of MA
- payment claim sending in SFC2021

Finance secretary (MA)
- EC payment reception & recording in accounting

Financial manager (MA)
- recording of EC payment in Jems

- Extract from the Central Baltic Programme DoMCS
- Financial Manager = BAF
- Disclaimer: Payment claims not yet created in Jems (monitoring system) – so far handled outside only – will be done soon!

Links between monitoring system, accounting and SFC2021

- Challenge due to different visions / calculations
  - Monitoring system (Jems) = ERDF = 80% of total expenditure
  - Accounting = no vision at all on the total expenditure only on the ERDF paid to projects = ERDF calculated by Jems
  - SFC2021 ERDF claimed = total expenditure entered * specific Programme % from Programme document:
    - P1: 80,0000000000%
    - P2: 80,0000000000%
    - P3: 79,9999988333%
    - P4: 79,9999968180%
- Hence the use of an excel file to prepare the payment claim and make the reconciliations

Reconciliation step

1. **BAF**: Expenditures listed in the PC are matched with Monitoring system (Jems) reports and payments

2. **Accounting department**: Expenditures listed in the PC are matched with Accounting system

3. **Accounting department**: Expenditures listed in the Accounting system are matched with bank data

➤ Ensure that same expenditures are in Monitoring system (JEMS) and accounting systems, and that all expenditures have been paid to projects

Steps in SFC2021

1. Create a new payment claim
   - Most of the fields are filled from selections in drop down lists
2. Add the names and contacts of the officials in charge
3. Fill in the expenditures
   - Priorities are already listed
   - Only two columns to fill in our case – the third one (TA) is calculated

   /!\ Expenditures are filled in cumulative amounts for the whole accounting year
   - The amount of the payment claim is then automatically calculated
   - The name of the BAF submitting the request is entered
   - Bank information is automatically filled
4. Appendixes are filled if needed (N/A for us)
5. 3 more clicks: Validate => Prepare to send => Send
   - For each steps SFC2021 gives of list of controls passed, warnings and errors

Our main files / documents

1. BAF reports follow-up file
    - All partners reports (+preparation lumps sums) listed and tracked through reporting in Jems by partners, certification by national control, verification by MA/JS, payments by accounting and claims to the Commission
    - Payment claims data to be filled in SFC2021 issued through a pivot table

2. BAF excel file to prepare the PC
    - Data from BAF reports follow-up file (1) is filled in (direct copy/paste) and the file makes the same calculations than SFC2021 for ERDF amounts (including TA flat rate) + shows small variances between Jems/accounting
    - This file is the one presented to accounting for reconciliation

3. Accounting / bank data reconciliation file + extracts

4. SFC2021 PDF file of the payment claim

Few tips to share

- Read the SFC2021 manual chapter about payment claim
  - Every step and section is well described
  - Calculations and data source are explained
  - https://sfc.ec.europa.eu/en/2021/quickguides/paymentapplication-etc
- Remember to provide financial identification form
  - To be attached at any point in the "Documents" section of the SFC2021 Programme document
  - https://commission.europa.eu/publications/financial-identification_en
- Don't hesitate to contact SFC2021 support!

Recovery procedure
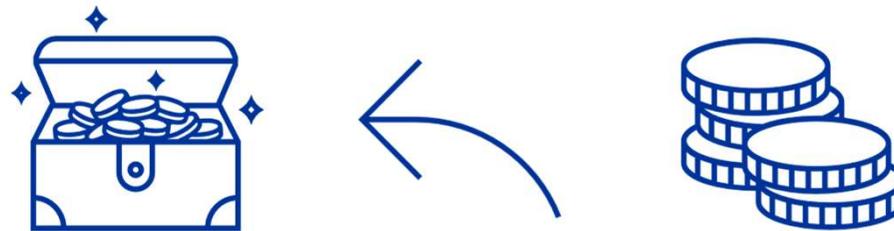
Extract from our DoMCS

- National control of partners reports + MA/JS verification of project controls
  - Verifications are carried according to our RBMV methodology, internal guidance how to check reports and DoMCS
  - Every single cents found ineligible before payment is systematically corrected
- Second level audits from AA and Group of Auditors + any other irregularity spotted by the NCs/MA/JS after expenditures have been reported to the Commission
  - Use of ongoing assessment option in case of uncertainty at the time of the accounts
  - Once irregularity is confirmed, immediate deduction from next payment claim (or accounts) and next payment to LP is reduced (or recovery letter is sent to the LP if final payment already made)
  - Except threshold of 250€ per project and accounting year that is not recovered (not applicable in relation to fraud, systemic- or intentional irregularities)

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Thank You!

Florence Aalto
Financial Manager
Central Baltic Programme 2021-2027
Mobile: + 358 44 9885 091
Email: florence.aalto@centralbaltic.eu