



Eligibility

Joint Secretariat
12.03.2018



Interreg 

Austria-Hungary 2014-2020

European Union – European Regional Development Fund

Legal background of eligibility

- Regulation (EU, Euratom) No 966/2012 (Financial Regulation) of the European Parliament and of the Council
- Commission Delegated Regulation (EU) No 1268/2012
- Regulation (EU) No 1303/2013 (Common Provisions Regulation)
- Regulation (EU) No 1301/2013 (ERDF regulation)
- Regulation (EU) No 1299/2013 (ETC regulation)
- Related implementing acts and delegated acts, applicable other regulations and directives

Hierarchy of rules

1. EU
2. Programme
3. National

General eligibility requirements I

Expenditure is eligible for funding when it is in accordance with the regulatory framework and

- it is related to costs of implementing a project as approved by the monitoring committee
- it is **essential for the achievement** of the project objectives/outputs and it **would not be incurred** if the project was not undertaken (the additionality of costs incurred for project purposes is to be ensured)
- it is not financed by other EU funds or other financial contributions from third parties, except national contributions to the programme co-financing (*for shared costs see 3.2.1 and 3.2.2 Eligibility Handbook*)
- it complies with the principle of real costs except for costs calculated as flat rates and lump sums

General eligibility requirements II

- Expenditures must comply with the principles of sound financial management (**economy, effectiveness and efficiency**)
- It has been incurred and paid by the beneficiary in the period of eligibility
- Beneficiaries have to maintain either a separate accounting system or an adequate accounting code for all transactions relating to the project
- When applicable, the relevant public procurement rules have been observed
- Expenditures have to be validated by the responsible controller specified in the ERDF contract.

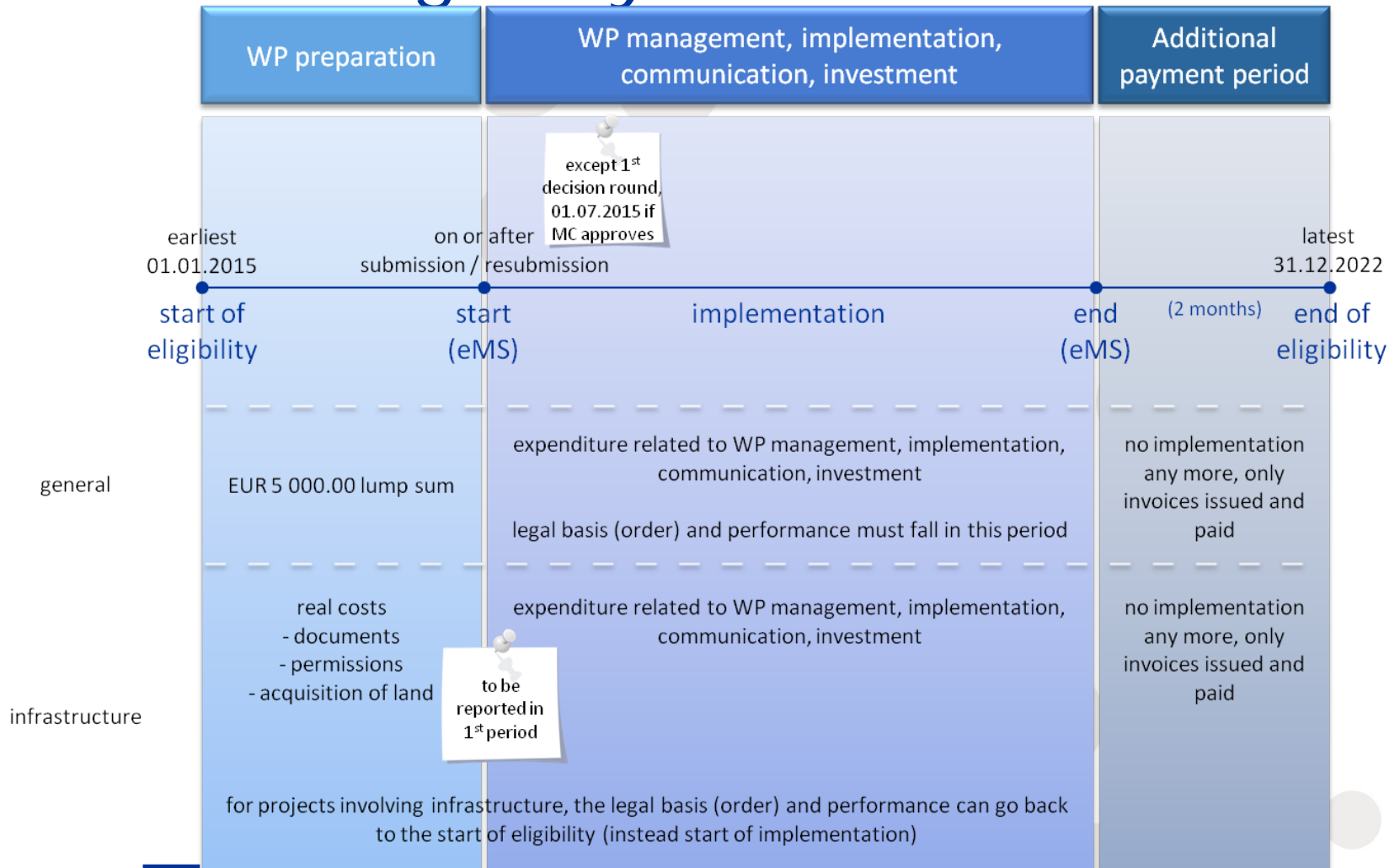
Audit trail and document retention

- Each beneficiary has to keep a **complete audit** trail of the
 - Contract, partnership agreement, approved AF
 - Modifications
 - Outputs, deliverables
 - Documents that the expenditure has incurred (invoice and equivalent)
 - (public) procurement
 - **Budget category specific supporting documents**
 - Progress and final reports (partner and project level)
 - Documents issued by the controllers
- The location for **storing original documents** has to be specified in eMS
- the audit trail must remain available at the premises of each beneficiary at least for a period of **two years** from 31 December **following the submission by the MA of the payment claim to the EC** in which the final expenditure of the completed operation is included

Time wise eligibility I

- Generally between 01.01.2015-31.12.2022
- The start date cannot be earlier than the date of submission..
- *...ends 2 months after the last date of implementation*
- *In case of resubmitted projects (if postponed by the MC, or following a formal rejection), project start cannot be earlier than the date of the new submission.*
- Preparation period and costs

Time wise eligibility II



Geographic relevance I

The programme area covers:

- **the Austrian NUTS 3 regions**
- Nordburgenland,
- Mittelburgenland
- Südburgenland,
- Niederösterreich Süd,
- Wiener Umland/Südteil,
- Wien,
- *Graz*,
- Oststeiermark
- **and the Hungarian NUTS3 regions**
- Győr-Moson-Sopron,
- Vas and
- Zala,

Geographic relevance II

- As a general rule, eligible expenditure shall be incurred in the programme area.
- Costs of activities implemented **outside the programme area** may be eligible, provided that they are for the benefit of the programme area and contribute to the successful delivery of the programme objectives.
- **Activities outside** the programme area (i.e. related to missions, study visits and events) must be either explicitly foreseen in the approved application form or, if not, they have to be previously authorised by the MA/JS.

20% geographical flexibility rule I

		LOCATION OF PARTNERS				
		COSTS OTHER THAN TRAVEL AND ACCOMMODATION	AT/HU Inside (the Union part of) the programme area	AT/HU Outside (the Union part of) the programme area, but having legally defined competences or field of functions for certain parts of the eligible area (assimilated partners), (e.g. HU line ministry)	AT/HU Outside (the Union part of) the programme area (e.g. Salzburg, Heves)	EU country Outside (the Union part of) the programme area (e.g. Slovakia, Romania, Bulgaria, Croatia)
LOCATION OF ACTIVITIES	Inside (the Union part of) the programme area		20% rule does not apply			
	Outside (the Union part of) the programme area	20% rule applies (Exception: promotional activities and capacity-building)				

20% geographical flexibility rule II

		LOCATION OF PARTNERS				
		TRAVEL AND ACCOMMODATION COSTS	AT/HU Inside the programme area	AT/HU Outside the programme area, but having legally defined competences or field of functions for certain parts of the eligible area (assimilated partners), (e.g. HU line ministry)	AT/HU Outside the programme area (e.g. Salzburg, Heves)	EU country Outside the programme area (e.g. Slovakia, Romania, Bulgaria, Croatia)
LOCATION OF ACTIVITIES (Destination)	Inside (the Union part of) the programme area		20% rule does not apply		20% rule applies	
	Outside (the Union part of) the programme area	20% rule does not apply <i>(Exception: costs that occur at the destination, [i.e. outside the programme area], like for e.g. costs of meals, accommodation and local transport if not covered by daily allowances. Such costs fall under the 20% rule.)</i>		20% rule applies <i>(Exception: promotional activities and capacity-building)</i>		

Ineligible expenditures I

- Fines, financial penalties and expenditure on legal disputes and litigation;
- Costs of gifts, except those not exceeding net 20 € per gift if related to promotion, communication, publicity or information;
- Costs related to fluctuation of foreign exchange rate;
- Interest on debt;
- Recoverable VAT;
- Charges for national financial transactions;
- Costs for alcoholic beverages;
- Fees between beneficiaries of the same project for services and work carried out within the project;
- Unpaid invoice amounts or undrawn reduction of the price (cash discount, discount);

Ineligible expenditures II

- Artists' fees;
- Purchase of land and other real estate
- Costs for food and beverages (catering) at internal partner meetings, except for project partner meetings where at least one Austrian and one Hungarian partner is represented if catering costs do not exceed net 10 € /participant;
- Tips;
- In-kind contribution, incl. unpaid voluntary work;
- Sole proprietor payments (*Unternehmerlohn*).

Expenses not included in the list above are not automatically eligible.

Net revenues

Cash in-flows directly paid by users for the goods or services provided by the project
 - Any **operating costs** and **replacement costs** of short-life equipment in the given period

Net revenues

	During implementation	After implementation
		if eligible cost of the operation before the reduction by the net revenues exceeds 1 000 000 €
Planned in the AF	<ul style="list-style-type: none"> Included in the AF budget Deducted from total costs to give total eligible costs 	calculate the expected net revenues acc. <ul style="list-style-type: none"> Art. 61(3) paragraph b) of the Regulation (EU) No 1303/2013 and Articles 15 to 19 of the Delegated Regulation (EU) No 480/2014
Nor planned in the AF	<ul style="list-style-type: none"> Keep record of it Report about it decreases the basis for co-financing 	<ul style="list-style-type: none"> net revenue generated within 3 years of the completion of an operation, or by the deadline for the submission of documents for programme closure, whichever is the earlier, have to be reported to the MA/JS corresponding ERDF contribution has to be either withheld from the last instalment to the project or reimbursed to the MA

Eligibility of expenditures by categories

- staff costs
 - Flat rate
 - Real cost
 - Full time
 - Part time (fixed, flexible, hourly basis)
- office and administrative expenditure
 - 15% flat rate
- travel and accommodation costs
- external expertise and services costs
- equipment expenditure
- infrastructure and works

Conversion into euro

- The budget of the project must be planned in euro.
- Expenditure incurred in a currency other than euro shall be converted into euro using the monthly accounting exchange rate of the European Commission *in the month during which that expenditure was submitted for verification by the concerned beneficiary to the controller* (eMS automatically calculates)
- EURO based bank account is necessary to avoid exchange rate loss (especially for LP)

Who is authorised to control?

Programme bodies

- National First Level Control bodies
- Managing Authority (+JS)
- Certifying Authority
- Audit Authority , Audit body(EUTAF)

Other control organisations

- European Commission
- European Court of Auditors
- Österreichischer Rechnungshof
- Landesrechnungshof
- Állami Számvevőszék (State Audit Office of Hungary)

On the spot checks

- At least once every project has to be checked on the spot
- Audit is also possible beyond the implementation period
- Some projects will be checked more than once
- Projects for on the spot check will be selected by using a risk analysis methodology

Contacts of the First Level Control I

- Burgenland:

RMB - Regionalmanagement Burgenland GmbH
Abteilung Controlling/
Technologiezentrum Eisenstadt,
A-7000 Eisenstadt, Marktstraße 3
Contact: *Marion Mingler*

- Niederösterreich:

Amt der Niederösterreichischen Landesregierung
Abteilung Finanzen (F1), EU-Finanzkontrolle
A-3109 St. Pölten Landhausplatz 1
Contact: *Ramona Schatzl*

Contacts of the First Level Control

- Steiermark:

Amt der Steiermärkischen Landesregierung
Abteilung 17 Landes- und Regionalentwicklung, Stabstelle
Controlling, Innerer Dienst und Haushaltsführung
A-8010 Graz, Stempfergasse 7
Contact: *Christa Bradler*

- Wien:

Magistrat der Stadt Wien,
MA 27: Europäische Angelegenheiten, Dezernat EU-
Finanzkontrolle/FLCMA 27 Dezernat Ausgabenkontrolle
A-1082 Wien Schlesingerplatz 2.
Contact: *Margot Hochleitner*

Contacts of the First Level Control

- West Transdanubia:
SZPI Nonprofit Kft.
Nyugat-magyarországi Ellenőrzési Osztály
Verő J. u. 1., Sopron H-9400
Contact: *Péter Virágh*

Thank you for your attention!