

SME ENHANCE

The guide is intended to provide a quick overview of the key implementation requirements of a project. The full requirements of the scheme are detailed in the Guidance notes available on www.fondi.eu

Practical Implementation Guide

Projects by **Project Completion** which is defined as the date by when the Beneficiary ensures that:

- The Investment has been procured, delivered and is fully operational; and
- All expenditure has been incurred, invoiced and fully paid; and
- All relevant licences are in place
- Claim for Reimbursement submitted

Any expenditure incurred, invoiced or paid after the project completion will be considered as ineligible.

Extensions may be requested via email prior to the end date for a minimum block of 6 months, marks permitting, with the following conditions:

- A deduction of 1% on the original Grant Amount awarded per each block of 6 months shall be applied, even if an extension covering a period of over 24 months is requested.
- First extension equivalent to one block of 6 months no deduction shall apply.
- Extensions that goes beyond 36 months, programme and scheme permitting, a deduction of 2% of the original Grant amount shall apply for each block of 6 months.
- If the request an extension is requested after the end date has elapsed, an additional penalty of 5% on the original Grant amount shall apply. This 5% shall be applied over and above any deductions per each block of 6 months and regardless of whether it is the first request or not.

Reimbursement requests are expected to be submitted to the IB **within 3 calendar months** from the end date of the operation as identified in the Grant Agreement and/or approval for extensions. Failure to submit the claim within such period shall incur a **deduction of 0.5% of the original Grant amount awarded for every month**, or part thereof, that the beneficiary doesn't submit the claim.

Procurement

With the application under Investment Aid, de Minimis or Start-up, you would have submitted either of the following 2 options:

Option 1	Investment Proposal identifying the preferred solutions
Option 2	Set of Minimum Technical Specifications; and At least 3 comparable and valid quotations for each sub-activity (limited to 3 distinct items)

Upon the signature of the agreement, the procurement process can commence. All minor changes require the approval of the Intermediate Body. Reimbursement will be pegged to the amount of the cheapest quotation provided and accepted or the invoice amount whichever is the lowest.

Item of expenditure	Procedure to be applied
Items under the activity Equipment and Machinery	For expenditure of the main component/s of the operation under Equipment and Machinery beneficiaries shall procure from the preferred solutions identified in the <i>Investment Proposal</i> or from one of the submitted quotations in <i>Option 2</i> .
Items under the activity Ancillary items	For expenditure of items under the activity <i>Ancillary Items</i> the Beneficiary may procure directly from the open market.
Lease of Private Operational Premises	The costs for the duration of 2 years of the leasing of privately owned operational premises required for the operations will be considered as the eligible cost item. Moreover, such costs shall be capped at 10% of the eligible cost of the eligible costs approved under Equipment and Machinery. For applications under Start-ups such costs shall be capped at 20% of the eligible cost of the eligible cost approved under Equipment and Machinery.

Publicity

As a beneficiary of EU funds, you are responsible for ensuring proper visibility of the interventions assisted through this Grant Scheme. Permanent commemorative plaques, in line with the requirements set out in the Guidance Notes, shall be installed, within 1 month from the completion of the investment as follows:

- In a prominent site within the premises that is accessible to the general public, such as reception area
- In any section/area where any financed investment is located and/or affixed to the financed investment in case this is mobile.

Advance Payments

Beneficiaries may be entitled for Advance Payment/s as specified in the Grant Agreement. The total amount of Advance Payments shall not exceed 40% of the total eligible Grant amount.

1st Advance Payment

Maybe granted upon signing of the Agreement in accordance with the following amounts:

Applications under **Investment Aid** and **de Minimis**:

- maybe granted 50% of the 7% Flat Rate for Indirect Cost.

Applications under **Start-up:**

- Eligible for 100% of the 7% Flat Rate for Indirect Costs.
- Also eligible for an amount covering at least 1 year of Private Operational Premises Lease, subject to the maximum eligible grant for one year of leasing as defined in the Grant Agreement.

For Start-up applications requesting support for Lease of Private Operational Premise:



A copy of the Lease Agreement covering a minimum of **1 year** of leasing must be provided to be eligible for the advance payment.

2nd Advance Payment

Applications under **Investment Aid** and **de Minimis:**

- 30% of the eligible grant amount for the main component(s), as identified in the Grant Agreement, may be granted.

Applications under **Start-up:**

- The requested deposit amount is capped at the eligible grant amount for the relevant component(s), as identified in the Grant Agreement.



A supplier invoice for the main component(s) must be submitted as proof of purchase confirmation.

Other requirements:



The component(s) must be fully paid, delivered, and operational within the calendar year of the advance payment.



Copies of proof of payment and receipts for the components must be provided to the Implementing Body (IB) by the end of April following the year in which the advance payment was made.

Claim for Reimbursement

Beneficiaries may present a claim/s for reimbursement upon completion of the project or upon completion of any identified targets in line with the set order of priority for planned investments identified in the Application Form and as accepted in the Grant Agreement.

Interim Claim/s for Reimbursement

- Interim claims for reimbursement may be submitted upon delivery of the main component(s) as outlined in the Grant Agreement.
- The reimbursement amount will offset any advance payments already made.

Applications under **Investment Aid** and **de Minimis:**

- The maximum eligible interim reimbursement shall not exceed **60%** of the grant amount, as specified in the Grant Agreement, with an additional **10%** if the components are operational (net of any advance payments).

Applications under **Start-up:**

- The maximum eligible interim reimbursement shall not exceed **70%** of the grant amount, with an additional **10%** if the components are operational (net of any advance payments).



A claim for reimbursement accompanied by a Progress Report from the beneficiary is to be presented for the Interim Claim/s for Reimbursement.

Final Claim for Reimbursement

- The final claim for reimbursement must include all remaining eligible expenditures, which include:
 - The remaining amount for the main component(s) of the operation.
 - Any other items approved under:
 - Equipment and Machinery
 - Ancillary Items
 - Lease of Private Operational Premises
 - The remaining balance of the 7% Flat Rate for Indirect Costs
- All claims should be net of any advance payments already made.



A claim for reimbursement accompanied by a Progress Report from the beneficiary is to be presented for the Final Claim for Reimbursement.

For claims including Lease of Private Operational Premises

- The beneficiary must submit a copy of receipts for the first year of the Leasing Contract.
- Additionally, a leasing agreement covering at least the second year of leasing must be provided.

For sub-activities under any sub-category the claim for reimbursement shall be accompanied by the following documents, together with the specific ones for each sub-category underneath:

- Claim for Reimbursement
- Checklist Annex to Claim for Reimbursement
- Progress/Final Implementation Report
- Beneficiary Financial Identification Form (*only to be submitted with the first advance payment or first claim for reimbursement, as long as same account details are retained*)
- Supplier Detail Form (*in those cases where bank account details of supplier are not included in the invoice*)
- Copy of Inventory (*as per provided template*)
- Copy of Separate Ledger Account or Record showing full details of expenditure
- Copy of warranties (*if applicable*)
- Photographic Evidence (*of procured items; serial numbers and publicity*)
- Compliance Certificate/s issued by the Malta Tax and Customs Administration (MTCA) covering Income Tax, VAT and Final Settlement and of Social Security Contributions

Compliance Certificates **issued not earlier than one month from the date** when respective claim for reimbursement is presented to the IB.

- Right of Use of Premises (*leasing agreement, contract or similar*)
- Class of Use permit (through Planning Authority permit)
- Operational License if required (such MTA License) dated prior to the Final Claim for Reimbursement
- Transport Malta License/Logbook (limited to land/sea transport items)
- OHS report (where applicable)
- Statement signed by Authorized Representative *specifying the following*:
 - (i) The expenditure to implement the action was actually incurred by the Undertaking and was not reimbursed or may be recoverable through other sources;
 - (ii) The expenditure satisfies the conditions that are outlined in the Grant Agreement;
 - (iii) The output (investment) is in place and set in operation within the duration of the project period being the timeline outlined in the Grant Agreement;
 - (iv) The Beneficiary has ensured that any rules governing accumulation of aid have been respected.

Items under the activity Equipment and Machinery

- Copy of Invoice
- Confirmation of Purchase
- Copy of Fiscal Receipt (*where a tax invoice is not provided*)
- Copy of Proof of Payment (*Copy of bank transfer payment/bank cheque encashment image*)
- Copy of Bank Statement identifying the transaction/s **Certified by a Certified Public Accountant**

Items under the activity Equipment and Machinery (ancillary items)

- Copy of Invoice
- Confirmation of Purchase
- Copy of Fiscal Receipt (*where a tax invoice is not provided*)
- Copy of Proof of Payment (*Copy of bank transfer payment/bank cheque encashment image*)
- Copy of Bank Statement identifying the transaction/s **Certified by a Certified Public Accountant**

Purchasing of Subscription-based Software

The purchasing of subscription-based Software shall be procured in line **with the above procurement guidelines** and the cost of a 2-year subscription¹ will be considered as the eligible cost item.

- Declaration from the supplier/service provider² indicating the following:
 - Date of Purchase and/or installation
 - Details confirming the type and version of the Software

¹ If the operation duration was less than two years, then receipts covering up to the submission of the claim for reimbursement are to be provided. Further receipts are to be submitted once they are paid.

² If the subscription-based software is bought online and a declaration from the supplier/service provider could not be provided, such declaration shall be provided by the beneficiary.

- Details of the location, including hardware serial numbers, where the software is installed
- Terms of Licence
- Pricing Plan³

Lease of Private Operational Premises

- A copy of the receipts for the 1st year of payment of the Leasing Contract ⁴
- Copy of the leasing agreement covering at least the 2nd year of leasing.

The IB may request further documentation where and as necessary and the reimbursement request will only be processed once the IB is satisfied that the proposed investment has been carried out, is operational, and is in line with the GA and pertinent regulations, rules, and guidelines.

³ Reimbursement to be capped to the cheapest price option in line with requirements identified in the technical specifications.

⁴ If the operation duration was less than a year, then receipts covering up to the submission of the claim for reimbursement are to be provided. Further receipts are to be submitted once they are paid.

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