



17th May 2018

## **MA Circular 03/2018**

Attn: All stakeholders

### **Re: Disbursement of Flat Rates for indirect cost**

In line with the flat rates made available through the current Regulations<sup>1</sup>, specifically Article 68 of the Common Provision Regulation and Article 14 of the ESF specific Regulation, the Managing Authority is hereby issuing guidance on the disbursement of such flat rates as outlined in a project's Preliminary Agreement / Grant Agreement / Addendum.

#### Disbursement

It stands to be noted that irrespective of the type of Beneficiaries implementing the project and the type of flat rate being applied, disbursement of flat rates will be the same for all projects.

The disbursement of these flat rates shall take place as follows<sup>2</sup>:

- 30% - Upon signature of the Preliminary Agreement (calculated on the committed amounts in the Preliminary Agreement)
- 25% - Once fifty percent of the project budget (direct costs<sup>3</sup>) has been disbursed
- 20% - Once seventy percent of the project budget (direct costs<sup>4</sup>) has been disbursed
- 25% - Once all project payments have been processed and any non-eligible expenditure withdrawn

On the other hand, the EU Funds Management Directorate (EUFMD) within Treasury shall pursue verification based on reported expenditure in comparison to committed amounts outlined in the Preliminary Agreement / Grant Agreement / Addendum.

Beneficiaries should refer to SFD guidance being issued with this circular as Annex I, on how to claim the above flat rate payments through the Structural Funds Database. These claims should only be raised in a Statement of Expenditure upon instruction from the MA.

Documents that should be uploaded on the Structural Funds Database 2014-2020 include:

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<sup>1</sup> (EU) 1303/2013; (EU) 1304/2013

<sup>2</sup> The MA may provide additional instructions in relation to the expenditure which is to be claimed which is dependent on project progress and which may differ from the here under list.

<sup>3</sup> i.e. the project budget excluding any flat rate/s.

<sup>4</sup> i.e. the project budget excluding any flat rate/s.

At Operation level

- Preliminary Agreement / Grant Agreement / Addendum.

At Procurement/Contract level

- Not applicable.

At Payment Claim level

- No documentation is to be uploaded in this section given that the claim for reimbursement to be processed by the Beneficiary organisation will be directly inputted in the system.

Additionally, no documents are to be forwarded to EUFMD for payment since these will be checked online.

The instructions outlined above enter into effect as at date of this Circular.

We thank you for your cooperation.

Jonathan Vassallo  
Head – Managing Authority