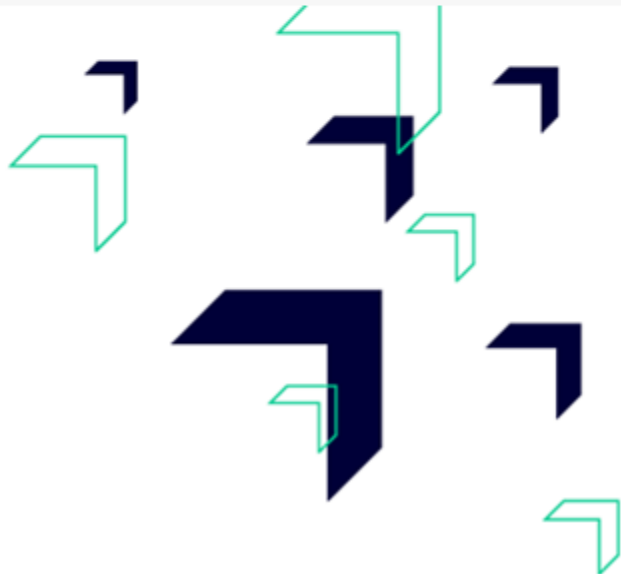


Interreg V-A Italia-Malta Programme

Programme Obligations, Eligible Costs & Relevant
Documentation

2014-2020

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20th September 2023



What is an FLC?



- FLC - First Level Controller
- Roles established by Art.23.4 of EU Regulation 1299/2013 & Article 125 of Reg. (EU) n. 1303/2013
 - Set of checks aimed at ascertaining the correctness of implementation of operations;
 - aims at ensuring that co-financed products and services have been provided;
 - claimed expenses are compliant with applicable laws (**regional, national and community laws**), with the **cooperation programme** as well as with the **conditions for operation support**;
 - Ensure a separate accounting system /an appropriate coded system in respect of all transactions related to the operation.

FLC Duties



First level control includes:

- desk administrative controls, through IS Ulysses, for 100% of claimed expenditure borne by the beneficiary for the project implementation;
- on-site inspections of the single operations on a sample basis;
- refer to the Letter of Engagement.

FLC should check documents in line with:



- The European, national and regional legislation of reference (including public procurement legislation, State Aid legislation, eligibility of expenditure legislation, documentability of the civil and fiscal aspect of the expenditure legislation, where applicable, environmental legislation and non-discriminatory and equal opportunity legislation);
- The INTERREG V- A Italia-Malta Programme;
- The Public notice for the selection of operations;
- The project as approved during the selection phase;

FLC should check documents in line with:



- The Implementation Manual, Subsidy Contract and Partnership Agreement;
- The contracts or other legally binding acts, adopted for the implementation of the operation;
- The guidelines of the European Commission, explicative letters of the MA, etc.;
- National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020.

Interreg Italia-Malta Website v – italia-malta.eu



The image shows a screenshot of the Interreg Italia-Malta website. The browser address bar indicates the URL is italiamalta.eu/?lang=en. The website header includes the logo for Regione Siciliana and Interreg Italia-Malta, along with navigation links for Home, Programme, Documents, Projects, Calls, and Com. A blue arrow points to the 'Documents' link in the navigation menu.

The main content area of the 'Documents' page contains the following text:

In this section you can find Programmes' documents organized by subject

By clicking on the single slot s drop down menù will be opened

Here you can choose the document you would like to download

Below the text is a list of document categories, each with a blue arrow pointing to the right:

- Programme Documents
- Manuals, Handbooks, Templates
- List of operations
- Annual Implementation Reports
- Monitoring Committee
- Executive Committee
- EU Regulations

A blue arrow points to the 'Manuals, Handbooks, Templates' category. At the bottom of the page, a Windows taskbar is visible, showing the search bar and various application icons. The system tray on the right indicates the date and time as 10/12/2020, 18:55.

Implementation Manual



Implementation Manual



- tool for beneficiaries under Priority Axis 1, 2 and 3;
- aim is to ensure a clear understanding of the programme's:
 - cooperation structures,
 - procedures for selection,
 - presentation,
 - project management and closure,
 - rules for reporting of expenses and monitoring of operations and
 - provisions related to information and communication.

Manual for Expenditure and First Level Control Reporting



Manual's Aim



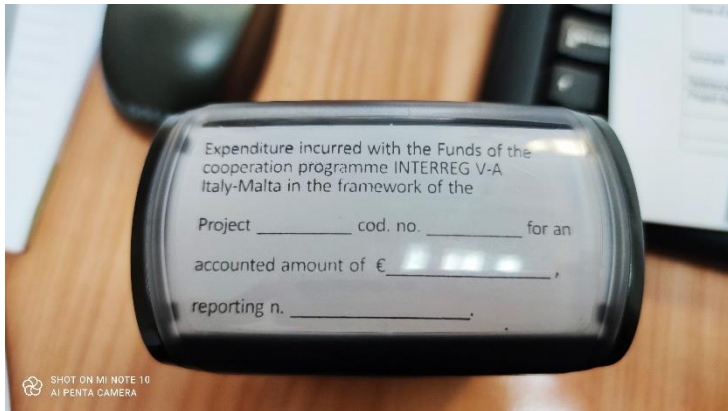
- provide guidelines for the sound financial management;
- control of the financed operations;
- proof of the information and communication fulfilments.

Manual's basis

- EU legislation
- Italian legislation
- Maltese legislation and guidance notes

These 3 elements make the basis of the Subsidiary Agreement & Partnership Agreement

Principles under Reg. (EU) no. 1303/2013 – what makes costs eligible:



- effectiveness,
- legitimacy,
- localization,
- documentary evidence,
- traceability,
- temporality,
- pertinence,
- non-cumulation and
- durability

Eligible Expenditure must:



- refer to the activities provided in the Application Form approved by the MC and be directly functional to the achievement of the Project's objectives;
- be paid in compliance with the regulations in force in the field of accounting and in line with the accounting regulations of each Beneficiary administration;
- have a reasonable amount & respect the principle of sound financial management, rational allocation of resources and economic management;
- be definitively inscribed and tracked in the general accounting of the Beneficiary (without possibility of recovery) and clearly identifiable and distinguishable from the expenses for activities of other nature;
- supported by a Technical Report of the activities that specifies in details the link between the recorded expenditure and the relative Project/output activities which it relates;
- be accounted/recorded according to the procedures of the Programme's Authorities.

Private Entities:



- need to publish calls related to the internal and external staff on www.italiamalta.eu website;
(transparency and respect of the general principles of impartiality provided by the European legislation.)
- should follow the spirit of the Public Procurement Regulations.

Principal Phases of the Reporting Expenditure Process



- Phase 1: the Beneficiary (LP and PP) initiates the procurement of goods & service;
- Phase 2: the beneficiary processes payment, registers the accounting data in the Programme Information System – Ulysses, then, transmit all the data to the controller;
- Phase 3: the first level controllers conducts ‘on the desk check’ verification;
- Phase 4: the Project Partners, through Ulysses, transmits to the Lead Partner expenditure data validated by the controllers;
- Phase 5: the Lead Partner verifies the expenditure incurred by the partner with the Project objectives, prepares the Request for Reimbursement for the whole operation, through Ulysses, transmitting to the MA/JS;

Principal Phases of the Reporting Expenditure Process



- Phase 6: the MA and the JS analyse the Requests for Reimbursement to identify the coherence of the activities implemented with those planned in the last Application Form approved;
- Phase 7: the MA proceeds with the administrative procedures for the payments in accordance with the flows described in the Subsidy Contract;
- Phase 8: the LP proceeds with the administrative procedures for the reimbursement of funds to the partners in accordance with the flows described in the Subsidy Contract.
- **N.B: Please ensure that all documentation is uploaded on Ulysses and filed properly at the beneficiary's end; this should be maintain for at least a two year period from 31 December following the submission of the accounts in which the final expenditure of the completed operation is included.**

Claim Deadlines

N.	DAL <i>FROM</i>	A <i>TO</i>	MESI <i>MONTHS</i>	CONVALIDA DA PARTE DEI CONTROLLOR I ENTRO <i>CONTROLLER S VALIDATION TO BE PROVIDED BY</i>	PRESENTAZIONE DOMANDA DI RIMBORSO DEL LP ENTRO <i>LP REQUEST FOR REIMBURSEMENT TO BE SUBMITTED BY</i>
1	Data di avvio delle attività <i>Activities commencement date</i>	31/05/2023	3	30/06/2023	31/07/2023
2	01/06/2023	31/08/2023	3	30/09/2023	31/10/2023
3	01/09/2023	Chiusura progetto <i>Project closure</i>	-	17/12/2023	21/12/2023

Cost Categories



- Staff costs;
- Office and administrative costs;
- Travel and accommodation expenses;
- Consultancy and external services costs;
- Equipment expenses;
- Infrastructure costs.

Staff Costs



- Staff expenses reported as real costs
 - declared on the basis of real costs, not exceed 40% of the direct costs of each beneficiary.
 - The staff can be assigned to the project on a:
 - a) Full-time basis;
 - b) Part-time basis with a flexible number of hours per month;
 - **full-time** workers within the framework of the operation, can be 100% reimbursed.
 - **part-time workers** within the framework of the operation, are calculated as a flexible amount of gross labour cost, corresponding to a monthly variable number of labour hours based on a system of recording time that covers 100% of employee's working hours.

Hourly rate



- The reimbursement of expenses of part-time staff is calculated on the basis of a hourly rate defined as follow:
 - Dividing the monthly gross remuneration cost with the working hours reported in the job contract;
 - Or
 - Dividing the most recent annual gross remuneration cost with 1.720 hours;
- A monthly time sheet (Annex I) including the activities carried out and number of hours dedicated to the project compared to the total number of working hours of the employee is required.

Staff Costs - Documentation

Supporting documentation of expenditure

- libro unico that shows the employment contract (only for the Italian beneficiaries);
- List of the personnel involved in the Project. It must indicate the following information: name of the internal and/or external resource, qualification, function, annual remuneration on a contractual basis, annual social security and tax costs, annual number of contractual workable hours, percentage and/or number of hours dedicated to the Project. This schedule must be presented in the form of a declaration signed by the person responsible for the Project (for the Italian Beneficiaries in terms of the D.P.R. 445/2000)

For each human resource:

- internal job order or letter of assignment: an order/letter which gives, the role to be undertaken under the scope of the Project and the expected number of hours, for each internal resource. This document, must be in the form of a declaration signed by the person responsible for the project and countersigned by the worker (for the Italian Beneficiaries in terms of the D.P.R. 445/2000);
- for external personnel employed for the Project (personnel temporary employed or through co.co.co. contract, for Italian beneficiaries only, within the limits established by the legislation), documentation must be produced to confirm that the public procedure has been completed.
- monthly time-sheets, certified by the person responsible for the Project/reporting Director indicating: name of the employee, qualification, hours dedicated to the project, brief description of the activities conducted, project code, month of reference, signatures of the employee and of the person responsible for the Project;

Staff Costs - Documentation

- pay slips or payroll for the workers committed to the project during the period under consideration;
- for external personnel with co.co.co contract, regular reports must be produced, as an alternative to the time-sheet, giving details of the activities carried out. These must be duly validated by the person responsible for the project (for Italian beneficiaries only);
- method of calculation of the eligible cost showing details of social security and tax costs to be borne by the Beneficiary and charged to the project.

Supporting documentation of payment

- bank transfer showing the amount and the name of the recipient, accompanied by a bank statement showing the actual and final financial disbursement;
- payment order receipted by the receiving bank and/or treasurer;
- documents confirming the payment of social security contributions, tax deducted and social charges (ex. F24 for Italian beneficiaries only);
- bank statement reporting credit transfers that show the payment (also cumulative) of salaries and/or certifying the effective and final payment of bank cheques;
- in the case of evidence for cumulative payments, certification signed by the Director responsible, giving details of social security contributions, tax deducted and social security costs related to the services charged to the project and included in the cumulative payments confirmed in the report;
- documentation that prove the payment carried out having regard the social and security contribution (*ordine di accredito e ricevuta bancaria e del versamento delle ritenute IRPEF e dei contributi sociali - modelli F24, modelli UNI-EMENS e relative quietanze*). Only for Italian beneficiaries only;
- for Maltese partners, any documentation not listed above but stipulated in the National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020

Staff costs on the basis of flat rates

- compilation of annex 1.a, attaching any other report, analysis, studies or products developed by the Project staff.
- **In addition, the Maltese partners are to consult the National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020, Section 7 (b) Staff Costs, on this activity.**

Office and Administrative Expenses



Office and administrative expenses are limited to the following elements:

- offices rent;
- insurance and taxes concerning the building hosting the staff and office's equipment (ex: theft and fire insurance);
- energy, heating, water consumption;
- office supply;
- general accounting within the beneficiary's organization;
- archives; maintenance, cleaning;
- security;

Office and Administrative Expenses



- information systems;
- communication (ex: telephone, fax, Internet, postal services, business cards);
- bank expenses for the opening and management of a bank account or more if the operation requires a separate account;
- Charges linked to financial and transnational transactions.

Each partner has **10% flat rate of staff costs**. To support the report of expenditure is necessary that the list of goods/services acquired through the item of expenditure is **attached with the final claim**.

Beneficiaries must keep all the documents, the supporting documentation of expenditure and payment that might be provided to the Programme's Authorities if required.

Travel and Accommodation

- travels and missions expenditure strictly related to project, **incurred by the internal staff in charge of the project development;**
- same expenditures incurred by experts or suppliers of external services are considered “consultancy and external services costs”;
- The expenditures concerning travel and accommodation costs are limited to the following aspects:
 - travel expenses (tickets, travel and car insurance, fuel, car mileage, toll and parking fees);
 - food expenses;
 - accommodation expenses;
 - visa expenses;
 - daily allowances.
- The above expenses are eligible if provided by internal regulations in force by the beneficiary and within the thresholds established.

Supporting documentation of expenditure

- documentation proving authorisation for the mission, clearly showing the name of the person authorised, the duration of the mission, the aim of the mission (which must be tied to the co-financed operation) and the destination;
- copy of the signatures sheet of the meeting and/or seminar or conference showing the list of participants and the report of the mission with an indication of the aim and results;
- Statement of Receipt compiled by the authorised person who participated in the mission and countersigned by the project Responsible person;
- Travel tickets such as: validated train and bus tickets, flight tickets and/or electronic receipts of payments of flights and boarding passes registered to the name of the person who participated in the mission. The beneficiary must provide original paper boarding passes also in the case of check-in realized on mobilephone;
- Invoices or fiscal receipts proving the fruition of food and/or accommodation registered with the name of the person authorized. For the meals, the receipt is accepted if it details the meals consumed.
- Pay slip, if travel expenses are reimbursed together with salary;
- Declaration of impossibility to use public transport, adequately justified , in case of use of own transport means (if applicable) for Italian Partners
- Declaration of the daily distance covered (return), the cost per unit based on the national or institutional laws (if applicable) and the total cost;
- Amount to be reimbursed with the authorization to use it signed by the Project Responsible in charge;
- Documentation able to prove the provider selection procedures, if the expenditures were subjected to a public procurement.

Travel and Accommodation

Supporting documentation of payment

- banking transfer showing the amount and the name of the recipient, accompanied by the bank statement confirming the actual and definitive financial disbursement;
- payment order receipted by the receiving bank and/or treasurer

Consultancy and External Services

Services provided by a public or private entity or by an individual other than the beneficiary.

It includes: consultants, occasional collaborators, scholarships holders, all the travel and missions expenses incurred by them, previously authorized. All the services must be necessary for the project implementation and are:

- Studies or investigations (evaluations, strategies, concept notes, product designs, manuals)
- Training;
- Translations;
- Information systems and creation, editing and updating of websites;
- Promotion, communication, publicity or information linked to an operation;
- Financial management;
- Services related to the organization and implementation of events or meetings (including rent, catering or interpreting services);

Consultancy and External Services



- Events participation (registration's fees);
- Legal advice and notary services, technical and financial advice, other consultancy and accounting services;
- Intellectual Property rights;
- Verifications as in art. 125, par. 4, letter a) of regulation (EU) n. 1303/2013 and art. 23, par. 4 of regulation (EU) n. 1299/2013;
- Guarantees provided by a bank or other financial institute, where prescribed by the European or national legislation or by a programming document adopted by the Monitoring Committee;
- Travel and accommodation expenses of experts, speakers, chairpersons of meetings and external services providers;
- Other consulting and specific services necessary for the operations.
-

Consultancy and External Services

Supporting documentation of expenditure

- documentation to verify the proof of transparency of the public procurement procedure or, in cases which are provided for by the regulations of individual beneficiaries, the presentation of at least five curriculum vitae and letters of engagement/contracts. For Italian beneficiaries only: if the services required are not present within MePA portal, the beneficiary must prove that a research has been done and the services are not present, by attaching specific screenshots.
- contracts and/or purchase order signed with services suppliers, where the compensation, the

Consultancy and External Services

project details (including CUP for IT beneficiares) and the period of contract execution are countersigned;

- signed assignment letter, where it is specified the type of activity conducted, the motivation for assignment with reference to the curriculum vitae, the details of the projects (including CUP for IT beneficiaries) the duration, compensation, percentage charged to the project;
- invoices, pay slip or payroll, or other accounting documents of an equivalent probative value, registered to the Beneficiary;
- periodic reports, presented by the experts on the activities carried out and duly confirmed by the person Responsible for the project;
- other documentation which justifies the activities/services carried out (studies, advice, etc.).

Supporting documentation of payment

- bank transfer showing the amount and the name of the recipient, accompanied by a bank statement confirming the effective and definitive financial disbursement;
- payment order receipted by the receiving bank and/or treasurer.

Equipment Expenses

The expenses related to the purchase, rent or leasing of the equipment by the beneficiary, other than “office and administrative costs”, are:

- Office equipment;
- Hardware and software;
- Furnitures and accessories;
- Lab equipment;
- Tools and machines;
- Devices;
- Vehicles;
- Other specific devices necessary for the operation.

Equipment Expenses

- This involves accessory costs for purchasing goods, like transport, installation, delivery, insurances, etc provided that they are within the time period of eligibility of the project;
- The cost related to “equipment expenses” is eligible in case of exclusive use for the project. In that case the whole cost is eligible. The products must remain active and linked to the project also after the conclusion of the activities (the continuity of their use must be guaranteed for five years after the conclusion of the activities, in line with art 71 of Regulation (EU) n. 1303/2013).
- If the equipment is necessary for the project but it is not of exclusive use of the project, only the depreciation charge related to the project duration is eligible.
- The **depreciation** must be accounted in line with the legislation in force in the participating countries and with the following conditions provided by the EU legislation.



Supporting documentation of expenditure

- documentation to indicate proof of procurement for the acquisition of goods and//or equipment necessary for the implementation of the project;
- procurement contract drawn up with the supplier that include project details (CUP for IT beneficiaries) and goods details;
- register of depreciable capitalised goods;
- invoice or tax receipt or other documents of equivalent probative value, in the name of the Beneficiary
- transport document for the goods acquired, where necessary;
- depreciation schedule or method of calculation for the eligible cost under the scope of the project;
- extract from the *Inventory Book* or extract from the register of depreciable goods, accompanied by the following information: date of acquisition, historical cost of acquisition, any revaluations or devaluations, the total depreciation at the date preceding the date it was initially allocated to the Project, the percentage of depreciation, the amount of depreciation allocated;
- other compulsory documents required by the legislation in force;
- in the case of consumables, declaration of expenditure confirming that the goods acquired are necessary for the implementation of the project;
- Lease receipt
- CD-ROM with photographs of the equipment acquired;
- Register book where it must be indicated the good's registration number, the inventory number assigned by the beneficiary and the location of the good at the beneficiary's premises (floor and room n.). In case of equipment installed outside, it must indicated the GPS coordinates.

Equipment Expenses

- for Maltese beneficiaries, any documentation not listed above but stipulated in the National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020 is also to be provided.

Supporting documentation of payment

- bank transfer showing the amount and name of the recipient accompanied by the bank statement confirming the actual and definitive financial disbursement,
- payment order receipted by the receiving bank and/or treasurer.

Infrastructure Costs



According to Regulation 1301/2013, in this category are included all the expenditures concerning:

- infrastructures that provide basic services to the citizens in the fields of energy, environment, transports and ICT;
- infrastructures that provide social, health, research, innovation, economical and educational services;
- Small infrastructures such as infrastructures for sustainable tourism and culture, services for enterprises, support for research and innovation institutes and technology and research applied to enterprises investments;
- Shared structures and human resources and any type of infrastructures at cross-border level.

The infrastructural investment financed must be owned by the beneficiaries for the specific project needs for at least 5 years after the end of the project indicated in the Subsidy Contract (including possible extensions).

The costs for the infrastructures located outside the cooperation area are not eligible.



Supporting documentation of expenditure

- Documentation to verify proof of procurement for the implementation of the operation, including necessary authorizations, issued by the national, regional and/or local authorities responsible;
- contract, purchase act;
- invoice proving the purchase of the real estate/land;
- for Maltese beneficiaries, any documentation not listed above but stipulated in the National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020 is also to be provided.

Supporting documentation of payment

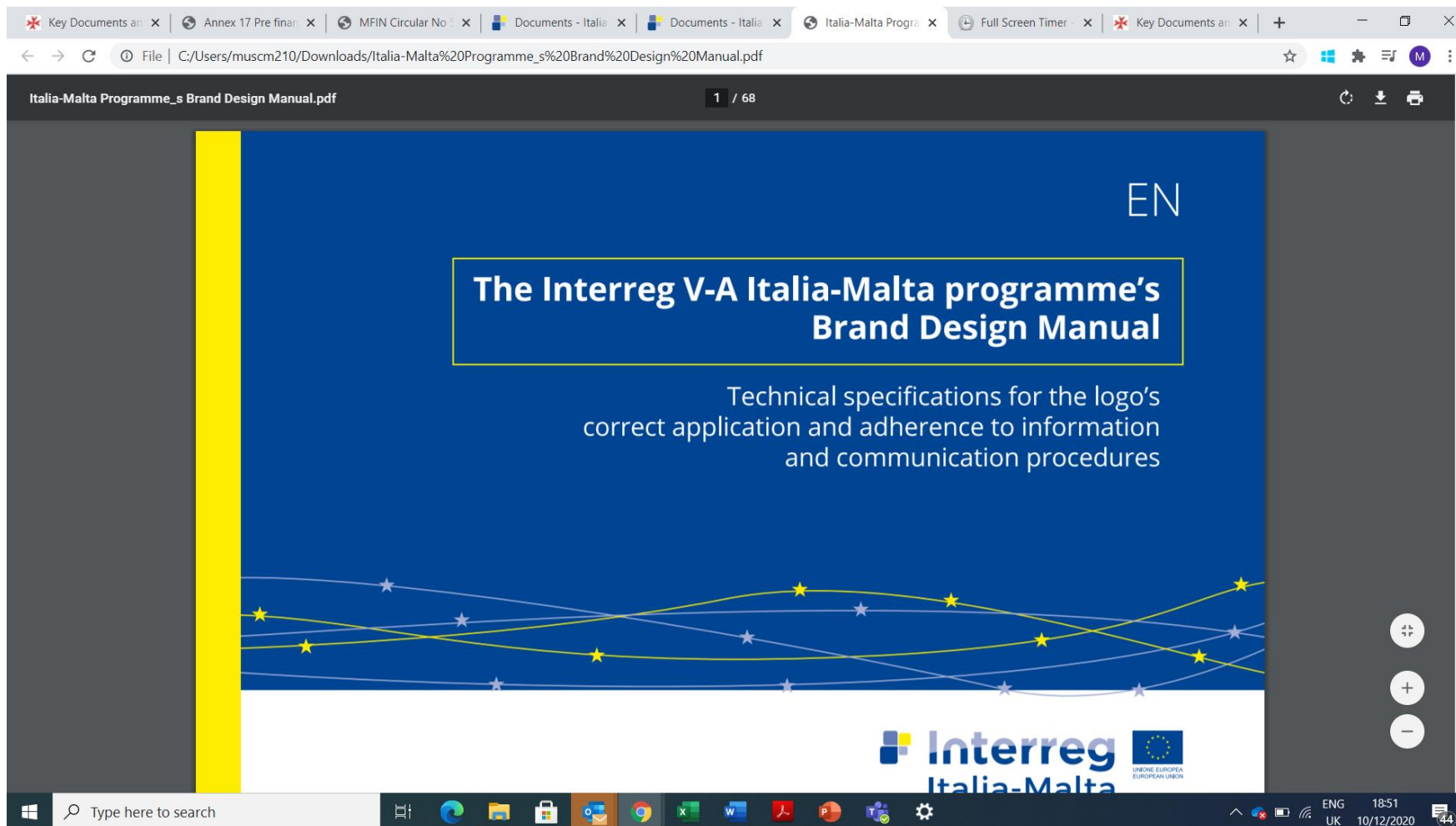
- bank transfer showing the amount and name of the recipient accompanied by the bank statement confirming the actual and definitive financial disbursement,

Programme Publicity



- **plaques or labels** should be affixed to goods purchased through the project;
- **temporary billboard of a significant size** for each financed infrastructure or construction for which the total public support to the operation exceeds EUR 500 000;
- No later than three months after completion of an operation, the beneficiary shall put up a **permanent plaque or billboard of significant size** at a location readily visible to the public for each operation that consists in the purchase of a physical object or of the financing of infrastructure for which the total public support to the operation exceeds EUR 500 000;
- The permanent plaque or labels and the temporary and permanent billboard include the project's logo complying with "The Interreg V-A Italia-Malta programme's Brand Design Manual" as well as the National Complementary Requirements - Territorial Cooperation Programmes and the ENI CBC Med Programme 2014– 2020 for national publicity rules.
- Project logo must be at least the 25% of the permanent plaque or billboard.

Brand Design Manual



Brand Design Manual



- Provide technical specifications of the Programme's logo being:
 - Colours
 - Black & white version
 - typeface
 - Proportions & positioning
 - Correct use of logo

Programme Logo – Project Logo



Project Logo



Fondo Europeo di Sviluppo Regionale
European Regional Development Fund



Fondo Europeo di Sviluppo Regionale
European Regional Development Fund

Brand Design Manual



- Specifies details on the application of the logo on:
 - Corporate Stationery - letterheads, business cards, envelopes, block notes, punch folder, etc.,
 - Publications,
 - Power Point Presentations,
 - Bill-poster formats,
 - Banners/roll-ups,
 - Place cards /name cards,
 - Gadgets – pen drives, mugs, caps, t-shirts, stickers, etc.

Ulysses Manuals



- Informative System Manual Ulysses Italia-Malta Leader User
- Informative System Manual Ulysses Italia-Malta Partner User
- Informative System Manual Ulysses Italia-Malta First Level Controller User

Thank you for your attention!



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Funds & Programmes Division

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