



Frequently Asked Questions (FAQ)

- Finance related questions –

Eligibility of expenditure – general rules

1. Are costs born after the conclusion of the project eligible (e.g.: worker's productivity during the project, recognized and paid after the conclusion of the project)?

As a rule, eligible costs must be born within the project duration. The only exception refers to the project closure phase, i.e. the finalization of all the legal and administrative obligations related to the granted activities, including the preparation of the last progress report, the final report and the reconciliation with the initial amount granted, if necessary. These activities take place after the official finalization of project activities detailed in the AF and are generally included in the last request for payment.

All project costs must be paid out at the latest 60 days following the project's end date. Staff expenses (including social charges) related to the final month of the project may be reimbursed beyond this date, but no later than the date on which the last project report must be submitted.

2. Is the expenditure related to the participation event/seminar/meetings organized by IPA ADRION Programme eligible?

Yes, during project implementation period. If the travel and accommodation costs are planned as “flat rates”, participation at Programme events/seminars/ meetings are already covered by “flat rate” and cannot be additionally added.

3. Is it possible to change a partner budget from “flat rate” to “real costs” or viceversa?

No. In application phase it was possible to select adequate financing option on partner level budget, however selected financing option is not possible to modify during project implementation.

4. Can unspent amount be spent in the next period?

Yes. However, it is not possible to change the spending forecasts per period foreseen in the Application Form. Indeed, spending targets per period are important for the monitoring of project performance and cannot be changed. All unspent amounts in one period may however be reported in the next reporting period(s). Please note that this will affect the project spending performance. Deviations should be noted in “Partner/Project report/Deviation section”.



5. Should partners pay for the Controls?

All control tasks that are centralized are free of charge. Only Italian controllers are “decentralized” and their services can be charged.

6. Are changes between cost categories allowed?

Please refer to the Project modifications section in the Implementation Manual.

Preparation costs

7. Do the "Preparation costs" need to be reported in the 1st partner report? If yes, where should they be reported in JEMS?

Yes. In the first Partner report in JEMS you should “include” (select) preparation costs. Amount is automatically calculated.

Please remind to all your partners to tick the preparation cost option under the column “Unit Costs and Lump sums”, in case they have preparation costs foreseen in the AF.

8. A partner forgot to include the preparation costs in partner report 1. What should he do?

The partner will include the preparation costs in the next reporting period.

Staff costs

9. Are there average monthly hours to stick to or monthly limits (i.e. equaling 1720/12) when reporting “staff costs” planned on “1720 method”?

Method “1720” sets maximum number of hours that can be claimed from one or more EU projects using the described method. This method is applicable for different EU funding schemes not only for IPA ADRION Programme.

Based on project activities and their intensity, partners could report different no. of hours per month. It does not need to be a linear division (e.g. 1720/12 months) but it should be based on the workload for project activities. It is up to the beneficiary institution to establish proper monitoring of staff working for EU project(s) and to ensure that there is no double financing.

10. Our employment contract provides for 1736 hours/year, do we still have to refer to the 1720 hours indicated in the manual?

Maximum 1720 hours should be respected.

11. What is the reference period to calculate hourly rate in “1720 method”?

See section 13.1.1 “Staff costs reimbursed based on real costs” of the Implementation Manual. Latest available document should be used.



12. When selecting "Staff cost" as a real cost, is it necessary to provide a description of activities performed for each employee within the reporting period? If yes, is there a template provided by the Programme?

Yes. Periodic staff report with a summary description of the tasks carried out and the outputs achieved by the employee in the project reporting period should be provided.

Template is provided by the Programme and available here (under ADMINISTRATIVE DOCUMENTS): <https://www.interreg-ipa-adrion.eu/support-for-applicants/how-to-implement/>

13. Do we need to provide the Periodic Staff Report and Task Assignment Document in English as well, if we have already provided it in national language for the national controller.

They can be in the national language. If requested by Programme authorities, copies in English must be provided.

14. Should we use the timesheets IPA ADRION Programme provides or can we use ours?

If accepted by their controllers, Partners can use their own timesheets, provided that they include all the information present in IPA ADRION templates.

15. When filling out the timesheet, what info should we enter in "hours related to other activities" and what it means "total working hours should cover 100%"?

Hours related to other activities refer to hours worked on tasks/activities other than the project.

The total working hours, including those for the project and other activities, must add up to 100% of the working time.

16. What if there is an overtime cost on the payroll that was not for the purpose of the project?

That is not an eligible cost. Overtime is eligible only in justified cases and when it is in compliance with the national law and the standard practice of the beneficiary. Overtime of an employee working part-time on the project can only be eligible if transparently and proportionally allocated to the project.

17. How can we engage staff on contract basis that are not working in partner organization?

Please refer to section 13.1.1 *Staff costs reimbursed based on real costs* of the Implementation Manual, in the paragraph about the Payments of natural persons other than Staff.

18. Our budget is divided in 6-months periods and cost for one staff position is different in periods. Can we sum up budgeted amount and divide it equally on periods.

Based on the project activities and their intensity, if allowed by the calculation method indicated in the Application Form, partners could report different no. of hours or percentage of working time per month.

19. Is it possible to change the unit rates and number of units for staff but the total budget will stay the same i.e not changed? For example : if number of units are 5



and the unit rate is 1000 eur total budget 5,000 EUR could we ask for modification to read number of units 10 and unit rate 500 eur , while the total budget will remain 5,000 eur.?

It is possible, if duly justified. The commitment and the expertise in implementing the foreseen activities should remain the same. The capacity of the partner's staff has been assessed and evaluated as proportionate to the workload. Changes cannot therefore affect staff capacity in a negative way.

20. Is it possible to change calculation method of “staff costs” during the implementation (e.g. from full-time to fixed percentage per month)?

Yes, however, changing the calculation of staff costs method is not allowed in the first 6 months of the implementation, apart from exceptional cases which must be approved by the JS/MA. Also, changes related to staff cannot be done within the same reporting period.

21. Cost for extra-personnel, initially not foreseen in the AF, should be included in Staff costs or in Office and administration cost category? Which documents should be provided?

If not foreseen in the Application Form, extra staff cannot be reported, unless a preliminary justification is provided to the JS and also reported in the deviation section of partner and project report. Staff should always be reported under the Staff cost category. Moreover, the budget per cost category cannot be exceeded, except for a flexibility of 20% at the project level (which means that another category needs to be reduced for the same amount). For all Staff costs the partner must provide the audit trail as foreseen in the Implementation Manual, included the appointment decision/contract and the job description.

22. For real staff cost at fixed percentage, is it possible to fill the expenditures list with only 1 line per staff person with the sum of the 5/6 months considered in the report?

The recommendation is to be transparent at the maximum possible extent in JEMS i.e. to report each expenditure in separate line. However, it is up to your controller to accept the proposed possibility.

23. Regarding staff, should staff expenses be reported with one row per month, or is one row per person acceptable?

The recommendation is to be transparent at the maximum possible extent in JEMS i.e. to report each expenditure in separate line. However, it is up to your controller to accept the proposed possibility.

24. Can we now involve more than one person under the budget line initially envisaged for one person? For staff cost categories, one project Junior to support project activities? We are going to split the work effort per month on this new staff position.

It is possible, but it must be justified and explain that the commitment and the expertise of a partner towards the activities to be implemented remain the same. What it should be kept in mind is that the staff has been assessed and evaluated as good for the amount of work and the change could possibly affect your capacity.



Office and Administrative costs

25. In which category of the budget should we categorize the laboratory disposals like laboratory reagents?

It depends on the nature of the reagents. If they are of general use and they can be considered as equivalent to “office supply”, they should fall under Office and Administrative costs.

26. Inside the cost category “Office and Administrative costs”, can we include any type of cost? Should we keep supporting documents in case of audit controls?

Eligible costs under “Office and Administrative costs” are listed in the Implementation manual. The list is exhaustive. No supporting documents should be requested or provided.

Travel and Accommodation costs

27. What about trips not foreseen in the Application Form?

Any travel related activity not foreseen in the approved Application Form should be communicated to JS and approved by JS, then reported in “Partner/Project report/ Deviation section” during reporting.

Travel and accommodation outside the IPA ADRION programme area (e.g. meetings and events organized by European institutions in Brussels; participation in thematic events, trade shows etc.) must be clearly indicated in the AF, or if they are not explicitly envisaged in the application form but they are clearly linked to the outputs and results of the projects they must be duly justified in the reports and subject to approval by the MA/JS.

28. In the budget, one person was planned to travel to the project meeting. Is it allowed for two people to travel for the same amount of money?

Yes, if properly justified and reported in the deviation section of the report.

29. Is a “rent-a-car” eligible cost? Under which cost category it should be reported?

Yes, rent-a-car is eligible if such costs are already foreseen in Application Form. In all other cases, such request must be properly justified. All deviations than will be reported in Partner/Project report “Deviation section”.

If the rented car is for a “Staff travel”, it should be reported under “Travel and Accommodation” cost category, proven that it was the most convenient way of transportation and that it was allowed by the internal rules of the organization. Fuel invoices are also admissible (of course their costs must be in line with the covered distance).

It is different if the vehicle was rented for specific project activities. (e.g. pilot action). In this case the cost, which should be already foreseen in the Application Form, should be reported under “Equipment” category cost.

30. If the money for one trip was not spent, is it allowed that the unspent amount is used for any other travel? Within the same period or in different periods?



Any travel related activity, not foreseen in the approved Application Form, should be communicated to JS and approved by JS, then reported in “Partner report/ Deviation section” during reporting.

31. If PP is not claiming staff costs for one employee, but that person is somehow included in the project implementation and wants to participate in a travel related to the project, should this cost be reported under Travel and Accommodation or External expertise and services cost category?

If the employee is somehow engaged in the project implementation, his/her travels can be reported under Travel and Accommodation cost category, at condition that his/her presence is justified, and that the supporting documents are provided. In particular, the organization should provide an internal act assigning the person to the project.

32. How to provide proof that staff members travelled if Travel and accommodation costs are flat rate?

Documents proving that at least one travel for one person per partner incurred in the project lifetime should be provided (eg. agenda, signed participants list, travel order, travel ticket etc.).

33. If we have a flat rate for travel cost we only need to declare one trip during the project. Does this mean that we have to register for travel cost in JEMS or just submit the supporting documents?

Travel cost reported as a flat rate is automatically calculated in JEMS system. Supported documents should be submitted as an annex and duly highlighted to the controller.

External Expertise and Services

34. Is it possible to transform part of the “External Expertise costs” in “Staff costs” and vice versa?

- Yes, if costs are planned as “real costs” and if well justified and explained.
- No, in case of use “flat rates” for planning “Staff costs”.

Please bear in mind that human resources planned confirm partner capacity and expertise to implement the project and eventual modifications may not in any way weaken the partner capacity.

35. Can legal entities and physical persons who are donors to a political party be eligible as contractors, experts, etc.? And expenditure, is it eligible?

Please refer to your national and institutional legislation.

36. Which is the correct budget line for costs referred to in-house bodies?

Please refer to IPA ADRION Programme Implementation Manual, section 13.4. and section 16.1.1.:



“Costs referring to project-related tasks subcontracted by the beneficiary to in-house bodies are eligible under the external expertise and service cost category if the following conditions are met:

- Costs incurred by the in-house body are charged on a real cost basis without any profit margin;
- The subcontracting of project-related tasks to the in-house body complies with national and institutional public procurement provisions in force.”

37. Is it possible for a partner to hire as external experts the Staff persons of another partner?

No.

38. Is it possible for a partner to directly contract an associated partner, without a tender process?

Please refer to art. 13.4 of the Implementation Manual: “Subcontracting between beneficiaries inside the same project partnership is not allowed.” Associated partners are considered beneficiaries of the same project. Therefore, subcontracting is not allowed.

39. Are conference registration fees eligible expenses?

Yes, in case the participation to the conference was foreseen in the Application Form. Otherwise, it should be communicated to JS and approved by JS, then reported in “Partner report/ Deviation section” during reporting.

40. A question about municipalities: The Mayor and the Vice-Mayors are in the payroll of the Municipality (just like staff costs). Their participation in some events is needed, as policy makers. Is the costs of their travel/accommodation included in "External Expertise/Services" or in "Travel and Accommodation" cost?

It should be reported in under the "External Expertise/Services" cost category.

41. Can alcohol consumed during the lunch/dinner be eligible expenditure?

It is not forbidden. However, bear in mind that the final eligibility will be confirmed by your controller, based on the internal regulation of your organization and general eligibility rules.

Equipment

42. Is it possible to rent or lease the equipment, instead of purchasing them? How should they be reported in these cases?

Yes, if such costs are already foreseen in Application Form. In all other cases, such request must be properly justified. All deviations than will be reported in Partner/Project report “Deviation section”.



43. For reporting the equipment cost have we to consider full costs (100%) or depreciation one also if the equipment is strictly related to activities implemented also later on the final of the project activities?

Reporting with depreciation does not apply, unless it was purchased in a previous a project.

44. Is it possible to change the configuration of the computer from the application form? For example, the processor in the computer in Tz application form was Intel, and if you buy Amd.

All the deviations from the information provided and approved in the Application Form should be justified and communicated with the JS.

Reporting

45. The salary for the last month of the first reporting period will not be paid until the end of that month. How to report that cost?

Only salaries which have been paid within the relevant reporting period should be reported in that reporting period. Salaries which are not paid should be included in next reporting period.

46. External Expertise as real cost - The invoice was paid after the closure of the reporting period (just 2/3 days later). Can be included in the reporting period?

The expenditure should be incurred and paid within the reporting period, otherwise it should be included in the next reporting period.

47. It is very common to have an invoice that is paid in parts (for example the tax is paid after one month of the payment of the contractor). When we have an invoice partially paid in one period, can we declare this partial payment as expenditure of this period (in order to show our progress)?

The partner can report what it has been already paid, although in some cases, for a matter of transparency and avoid possible mistakes, it would be better to report the payment once the total amount is paid. You can check with your controller what is the better way to proceed.

48. In the case of the option where all “other costs are calculated as 40% of staff costs”, is it necessary to upload any documentation regarding the incurred expenditure?



No, it is not necessary to upload any documentation/proof of the expenditure in JEMS. However, while implementing the project all project partners must respect the general eligibility rules foreseen by the Programme.

49. If for a certain 6-month period the expenditures are equal to EUR 0,00, should we submit the partner report?

Yes, partners are requested to submit the report which must be certified by controllers anyway. Moreover, in case expenditures amount to EUR 0,00, partners should insert at least one expenditure with value 0,00 in the List of Expenditure of your report in JEMS.

50. Does LP have to wait for the late certificates from the Partner reports in order to submit the Project report?

LPs and PPs must respect reporting deadlines.

51. A partner has not its controller assigned in JEMS. Should he submit the partner report?

Partner reports can only be included in a project report if they have been certified by a controller. Therefore, each partner should have a controller associated in JEMS. In case of partners from North Macedonia, please directly refer to your national controller authority in case you have not an assigned controller. For Italian partners, if you already sent the request to Commissione Mista, you can enquire with the Italian NCP to solicitate the validation. All other controllers should be already associated to their partners.

52. What if within a single reporting period, some of the partners do not submit their reports?

It should be reported by the partner and the project officer should be alerted, because this means that there are some difficulties that the partner is experiencing.

In general, the lead partner is not obliged to wait for all the reports of a partner, so if a partner, for some reasons, is in delay the project report can be submitted without that partner report, and this means that that partner will not receive the money for that reporting period, but it will receive once he will submit that report, so it will be counted in the next project report.

Lead partners are asked to carefully monitor and to report in case there are such difficulties by some partners.

53. In the project report I cannot find the section where to describe deliverables, outputs, etc.

The first reporting period is “only finance”. This means that, in the “Project report identification”, some general information on the implementation of activities should be provided.

A detailed description of activities, target groups involved, deliverables and outputs will be provided in report 2, which will be both content and finance.

Therefore, in the first report, information on activities, deliverable and/or outputs must be provided at partner level (what the partner did and how it contributed) because it is a necessary information for the checking of expenditures by the controller, but these information should not be reported in the project report.



54. In my JEMS account, under My applications, there is still no project added/submitted. Should this be done by a lead partner or anyone else?

Please refer to the Lead Partner.

55. Should documents and any additional necessary documents supporting the financial flow be uploaded on JEMS, or is it sufficient to share them with the auditor and LP?

All supporting documentation should be provided through JEMS.

Other

56. How do we manage costs which fall within the flat rate? How do we know how much budget we have per cost category if everything apart from staff costs is flat rate?

Indeed, if you selected that method, it is up to you to properly monitor your budget capacity and spending per cost category.

57. What should we do to receive the 15% of national co-financing, if applicable?

Please refer to your National Contact Point to receive information on the national co-financing.

58. Can you confirm that in the contribution field of the partner report the co-financing quota relating to the single period and not to the entire project should be reported?

Yes, in the contribution field of the partner report the co-financing amount is related to the single period. The amount of the co-financing is calculated by JEMS automatically.

59. How do we return the amount that we received for the pre-financing of the project to IPA partners? Which percentage will be applied?

Received pre-financing will be compensated with the last project payment by the Managing Authority.

60. Is it obligatory to have a separate bank account for the project, or can the basic account of our organization be used?

When allowed by internal beneficiary rules, a separate bank account or a sub-account for receiving project Interreg funds in euros is strongly recommended.

61. How to proceed in case of change of the bank account?

In case of the change of the bank account of the LP/PP, update of bank account details in JEMS is needed. In case of any document related to the change, it needs to be uploaded as annex in the relevant JEMS section.

Please also contact your JS Finance Officers to be informed if a new Grant form is needed.



62. Are IPA public procurement thresholds to be intended with or without VAT?

According to the latest information received from the European Commission., thresholds for IPA partners should be intended VAT included.

63. Is it necessary to obtain three different bids from other providers to select an external contractor? Do we include the documentation in the report?

Please refer to the Public procurement section in the Implementation Manual.

64. In Procurement section, should we declare all contracts signed in "external expertise/service" and "equipment" categories, even if they are small amounts? For example, with a direct contract.

Please refer to Implementation Manual, sections 16, 16.1 and 16.2. Procurement documents/information must be inserted for all procurements above certain ERDF and IPA thresholds. In case of doubts, please first check with your national controller.

65. We are a private university and in JEMS in the partner details, there is the ultimate beneficial owner section. Are we in the obligation to put some information? If yes, what is exactly referring to?

Yes, the private partners are obliged to fill in this this information, providing details on the owner of their institution.

66.Regarding the exchange rate, we used the monthly InforEuro exchange rate for payments but when we enter the expenditure in JEMS it was not possible to choose the exchange rate of the date when the invoice was paid, but the exchange rate of the month when the expenditure was reported. This shows some minor deviation between amount paid and reported. How to solve this issue?

Please refer to Implementation Manual, section 6.1.1 Partner report. All amounts entered in JEMS are in the currency they were paid in. The final exchange rate of the expenditure incurred in a currency other than the euro is automatically converted by JEMS using the monthly accounting exchange rate of the European Commission for the month during which the expenditure was submitted to the controller. Small deviations are considered as an acceptable risk.