



WP Management - Deliverable 3.2

Finance Training for REAMIT Partners

Improving Resources Efficiency of Agribusiness supply chains by Minimizing waste using Internet of Things sensors (REAMIT)



Reamit Project – Finance

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First Level Controller (FLC)

Why do we need them?

- Before submission to the Joint Secretariat, each progress report must be verified and validated by an independent controller.

Who are they?

- Usually Auditors or Certified Public Accountants.
- To verify that the expenditure incurred to

What is their role?

implement the project complied with the relevant EU, national, regional, institutional and programme rules as well as with the provisions of the subsidy contract and the approved application form.

Designation of an FLC

In principle, there are 3 general models:

- 1. Centralised control at Member State level.**
- 2. Decentralised control through controllers selected from a central shortlist.**
- 3. Decentralised control through an internal or external controller** selected by the project partner and approved at Member State level by the approbation body.

FLC Requirements

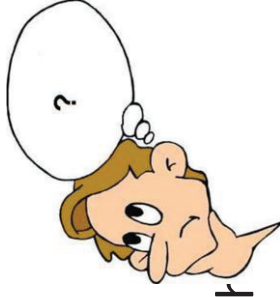
- **Requirements to be a first level controller**
 1. Professional Qualification
 2. Independence
- **An FLC engagement letter should include:**
 - Budget
 - Approach and Methodology
 - Location of work
 - Fees
 - Commencement
 - Duration
 - Award

FLC Designations by Country

Decentralised	Centralised
<ul style="list-style-type: none">• United Kingdom• Belgium (Flanders)• France• Germany• Netherlands	<ul style="list-style-type: none">• Belgium (Brussels)• Belgium (Wallonia)• Ireland• Luxembourg

EMS

EMS – What does it do?



1. Automatically aggregates the claimed amounts and puts them on a list
2. Automatically applies the exchange rate for foreign currencies
3. Transfers the reports from the partners to their First Level Controllers (FLC), to the LP, who, with their FLC, endorses the amounts and transfers the report to the JS.
4. Warns you if a mistake is detected, or blocks you.

Interreg
North-West Europe


EN

- Login
- Registration
- FAQ

downloaded by
cpb
Baltimore

EMS
electronic monitoring system

INTERACT



European Regional Development Fund
4.2.1.a

Login

Username*

Password*

☒ Login + Register ? Forgot password

***** Username required

If you have any technical questions regarding the online application system or you encounter any difficulties entering or submitting your application, please send an email to ems@nw-europe.eu. If you have a query about an approved project, please contact your project officer directly.

Several tutorials on how to use the EMS are available in English, French, German and Dutch at this address: <http://www.nw-europe.eu/help-support/project-implementation-tutorials>

By logging into the system you agree to the Terms and Conditions below.

News: 06/03/2019 - Version 4.2.1 – New living tables at project and partner levels, new global lists of expenditure, Security improvements and bug fixes.
 News: 21/08/2018 - Version 4.1.1 – New features modification request reworked.
 News: 11/06/2018 - Version 3.5.1 – New features to comply with GDPR requirements.

- * Access to attachments uploaded to the List of Expenditure in the budget line staff costs was hidden for all users, except project partner users. Comment fields (Partner comments and PLC comments) and descriptions related to items in budget line cost categories were made visible again for project partners and project officers.
- * An additional tab called "Attachments" has been added to the management report. All files uploaded in this tab are hidden by default and only visible to privileged users. File title and description is replaced by "hidden due to GDPR" text. It is possible to move files from the "Attachments" section to "Personal data attachments" and the other way around. The partner user can move attachments from one section to the other for his/her own report.

• EMS Terms and conditions.pdf

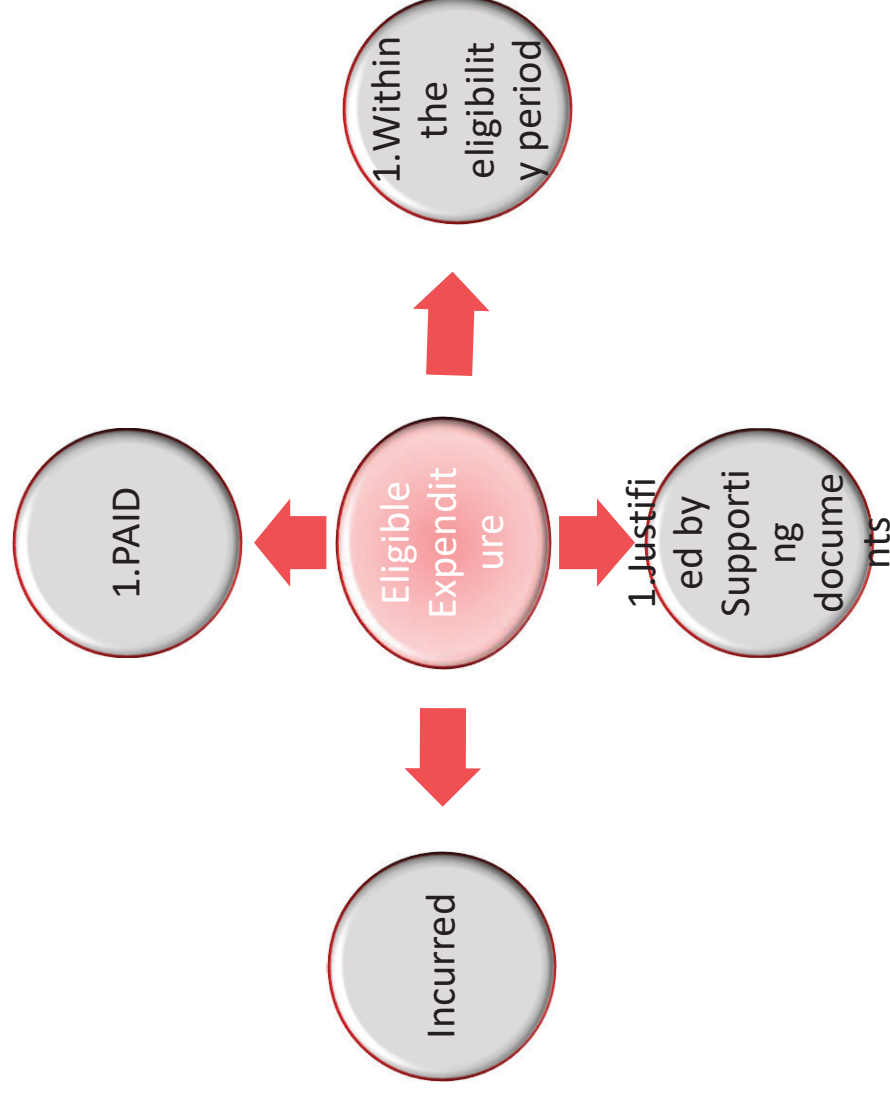
Reporting Expenditure

- Spend according to the application form
- Report Costs on EMS, (List of expenditure)
- Each invoice is allocated to one of the 6 Budget lines and attributed to one work package

Reporting Expenditure Rules

1. Claim according to your application form.
2. Only report on **ELIGIBLE EXPENDITURE!**
3. One invoice = One line, 100 invoice = 100 lines : **DO NOT SPLIT AN INVOICE**
4. You can alternate the allocation of WP, for example, if a member of staff is working on several WPs.
5. Office and Administration is calculated **AUTOMATICALLY.**

What is Eligible Expenditure?



Budget Line

- Staff Costs
- Office & Administration
- Travel & Accommodation
- External Expertise & Services
- Equipment

File Edit View Favorites Tools Help

https://ems.nweurope.eu/ems/app/main?execution=554

Interreg North-West Europe

river

NWE553 Application form version 1

Partner report 1 UoB Period 3 List of expenditures

Partner report

List of expenditure

Forecast and contribution

Attachments

Personal data attachments

Welcome Charmaine Guyol

SAVE

Partner

Check s

Appliat

Supple

Print re

Delete r

Exit

Help

Generat

Contact

Logout

EN

PP

Budget line

WP

Internal ref. no

Invoice no

Invoice date

Payment date *

Currency

Conversion rate

Total value of item in original currency

VAT

Declared amount in the original currency

Declared amount in EUR

Expenditure outside the Programme area?

In kind

...

...

LT Long term

M Project management

T1 Designing and Developing the technologies

T2 Business case and Policies

I1 Installing and testing engines in an operational environment

C Communication

EUR - EURO

(1)

Please describe the expenditure. In the case of staff costs, please indicate the applied method (cf. programme manual section 5.2.1)

ther description, if needed

ther comment

2000 Remaining characters

2000 Remaining characters

2000 Remaining characters

+ Upload

No records found

Add

Staff Costs

Methods of claiming staff expenditure.

OPTION A	OPTION B
<u>Flat Rate</u> Method A: Flat rate 20% 20% of direct costs (all costs other than staff, and office and administration costs) => no need for documentation.	<u>Real Costs</u> 1. Full time 2. Fixed percentage 3a. Flexible percentage –contractual hours 3b. Flexible percentage –1,720 hours 4. Hourly basis 5. Country specific (Flanders, NL, LU)

Staff Costs



You can apply any of these methods, however, A or B should be used throughout the project duration.

If you chose Option A - Flat rate:

- Applies to all staff members at partner level
- Less administrative work but watch for mistakes in other budget lines
- Only need to Plan your cashflow.

If you chose Option B - Real costs:

- Several methods are available
- You can choose a different one for each staff member and change method if need be (within option B).

Choosing a method

For each staff member, do you work on the project in the same capacity each month?

Method 1:

- Full time = the full gross employment cost is eligible.

✗ No timesheets required

Method 2

- Part-time = a fixed percentage of gross employment costs is eligible

✓ Timesheets required

An hourly rate will be calculated (method 3a, 3b) or defined in a contract (method 4).

Timesheets

- The NWE template is on our website.
- Please record 100% of the working time.
- Other EU funded projects should be clearly visible in order to avoid double funding.
- Timesheets should always be signed by the employee and the line manager.

Please note:

- ONLY staff on the payroll is eligible
- Secondment is not eligible
- Dividends are not eligible
- The FLC and external auditors will need access to payroll records, with the name and salary details, to validate the expenditure.

Necessary Documents

- For methods 1, 2 and 3 : the **gross employment costs**
- B.1 (Full time) : a document (e.g. work contract) specifying that 100% of time is worked on the project
- B.2 (Fixed %) : a document specifying the percentage of time to be worked on the project
- B.4 (Hourly basis): a document (e.g. contract) specifying contractual hourly rate

Office & Administration



- You cannot see this budget line in the List of Expenditure, but you will see it in the claim.
- Calculated automatically when you claim staff costs.
- 15% flat rate.
- Do not charge office and administrative costs (telephone bills, bank transfer fees, office supplies, etc.) under other lines. ***Those are all already covered by the 15% flat rate.***

Travel & Accommodation



- **Covers only the partner staff for:**
 - a. Travel
 - b. Meals
 - c. Accommodation
 - d. Visa
 - e. Daily allowances
- Any item listed in points (a) to (d) covered by a daily allowance will not be reimbursed in addition to the daily allowance.
- Internal rules apply (thresholds, class, etc.).

External Expertise and Services



- Tasks that partners cannot carry out themselves
- Examples of expenses include:
- External experts (e.g. for performing studies)
 - Travel and accommodation for experts
 - Promotion, communication and publicity costs
 - Services related to the organisation of meetings and events (e.g. interpreters, room rental, catering, registration fees, etc.)
 - Financial / legal consultancy costs
 - First Level Control costs (if applicable)

Equipment

- Purchased new or second hand, rented, leased
 - Not already funded by EU
- Examples include:
- Office equipment (not office supplies)
 - IT hardware and software
 - Laboratory equipment
 - Machines and instruments
 - Other specific equipment needed for operations



Public Procurement



- **NWE Programme rule:**
- For all contracts above € 5,000 (excl. VAT) project partners need to have documented proof that three quotes have been asked for. In the event that the partner must comply with other, stricter rules (e.g. internal rules), these stricter rules must apply.
- **The violation of this rule will lead to a 25% flat rate correction by the FLC.**

Tips

- Good record keeping is **KEY**

Project – Contract

Staff Costs - Contracts, payslips, Gross pay Details, Timesheets, pay Calculations

Non-pay costs – Quotes, Contracts, Invoice, receipts.

Proof of payment – Bank statement, payroll records

Meeting Note or proof of attendance

Publicity – Website, Banner

Equipment – Pictures, physically available

