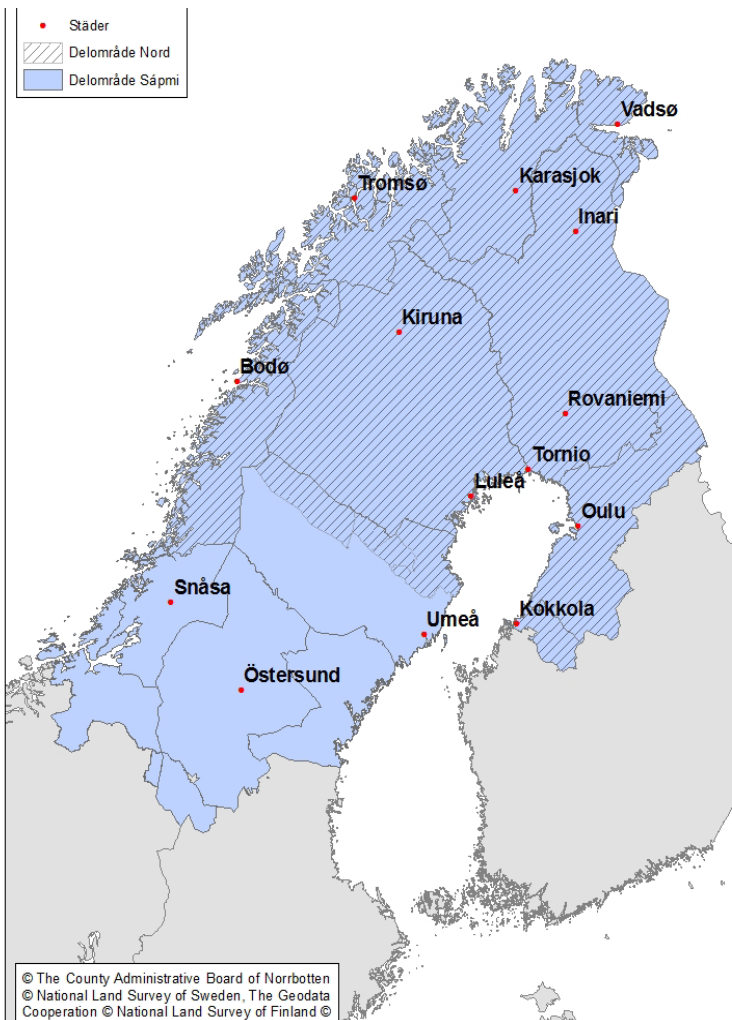


# Interreg Nord 2014-2020

**Interreg**  
Nord  
Europeiska regionala utvecklingsfonden





# Programme area Nord and Sápmi

# First level control in Nord programme

- **Sweden** – centralized system for FLC  
Two FLC at County Administrative Board of Norrbotten,  
placed in Luleå
- **Finland** – decentralized system
- **Norway** – not an EU-partner, own controlsystem



# First level control in Nord programme

How do we work?

- Desk-based controls
- On-the-spot controls

Which tools do we use?

- Checklists (available for Finnish FLC's as well)
- Summary for Staff costs (available at our website)
- Risk-based verifications and sampling



# Eligible expenditure

**Incurred and  
paid**

**In the eligible  
area**

**Justified by  
supporting  
documents**

**Within the  
eligible period**

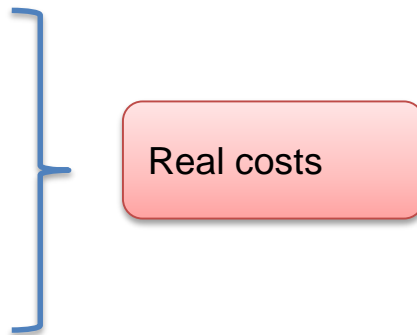
**Separate  
accounting system**

**Reported under  
the correct  
budget line**



# Expenditure categories (regulation No 481/2014)

- Staff costs
- Office and administrative expenditure
- External expertise and services costs
- Travel and accomodation costs
- Equipment expenditure



- Flat rate } Simplified cost option

- Project revenues



## Audit trail – Staff costs

Required documents depending on the reimbursement option	Real costs			
	Full time	Part time		Hourly rate set in the contract
		Fixed %	1720 hours/year	
Job description	✓	✓	✓	✓
Payslips	✓	✓	✓	✓
Data from time registration system	✗	✗	✓	✓
Proof of payment	✓	✓	✓	✓



# Flat rate

## (Office and administrative expenditure)

Flat rate indirect costs –  
maximum 15 % of eligible direct staff costs









- No documents needed
- The flat rate can be recorded in the project accounting but it is not needed
- Don't need to show that the flat rate corresponds with reality

The flat rate can consist of the following (examples):

- Office rent
- Insurance and taxes related to the buildings where the staff is located
- Electricity, heating, water
- Office supplies
- Archives
- Maintenance, cleaning and repairs
- Security
- IT systems
- Communication (e.g. telephone, computer, fax, internet, postal services)
- Charges for transnational financial transactions
- Internal representation



# Audit trail – two budget lines

Real costs	External expertise and services	Equipment
Selected offer / contract		
Invoices		
Proof of payment		
Evidence of work / existence		



# Audit trail – travel and accomodation



## Examples of costs that are not eligible:

- Expenditures not incurred or paid within the eligibility period of the project
- Expenditures paid later than two months after the project has ended
- Depreciations not allowed by programme rules
- Second hand equipment
- Fines, financial penalties and expenditure on legal disputes and litigation
- Interest on debt
- Costs related to fluctuation of foreign exchange rate
- Costs declared in another EU-funded project
- Value added TAX except where it is non-recoverable under national VAT legislation
- Costs of gifts, except those not exceeding 50 EUR per gift where related to promotion, communication, publicity or information
- Directors fee
- Grants and sponsoring
- Audit costs (exception the Finnish first level control)
- Indirect costs exceeding 15 % of eligible direct staff costs (flat rate)
- Vacation pay



# Some important things:

- No invoicing between the project partners!
- If you as an FLC have any questions regarding the project activities, travels outside the programme area, reporting periods, budget changes and so on - please contact the desk officer for the project
- Read the programme manual on our website, [www.interregnord.com](http://www.interregnord.com)! There you will find useful information and the latest documents

# Information obligation

Deductions made by FLC are often related to incomplete or missing reference to EU financing

Some requirements:

- ✓ Logotypes – EU emblem, Interreg-logo
- ✓ Poster



# Experiences so far by the FLC's...

- Reporting documents for FLC seems to work.
- No adequate description of the administrative routines in the status report
- Sometimes the status report to FLC is to "thin"

## **Staff costs:**

- In the first report the job description is sometimes incorrectly filled in
- Difficulties with the fixed percentage

## **External experties and services:**

- Requested documents is often reported



# Experiences so far by the FLC's...

## Travel and accomodation:

- Costs for external persons that are not employed by the organisation
- Travelling outside the program area has not been approved by the desk officer

## Equipment:

- So far, no major costs have been reported
- Often material costs for laboratory...

# Experiences so far by the audit authority...

Under 2017 - 4 beneficiaries (3 projects) have been reviewed by the audit authority

✓ Salary costs



# Thank you for listening!

- .....and please contact us if you have any comments or suggestions on our information, working material and so on...



**Ann-Charlotte Hultmo**

[ann-charlotte.hultmo@lansstyrelsen.se](mailto:ann-charlotte.hultmo@lansstyrelsen.se)

**Åsa Gåverud**

[asa.gaverud@lansstyrelsen.se](mailto:asa.gaverud@lansstyrelsen.se)



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