



Interreg



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Budget and eligibility of costs

BUDGET AND ELIGIBILITY

1. Basic principles
2. Eligibility criteria
3. Cost categories
4. Ineligible costs
5. Forms of reimbursement



BASIC PRINCIPLES

(1)

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ERDF support up to 80% of all eligible project expenditures; the remaining part ($\geq 20\%$) covered by the project partners' own funds (own contribution)*

No advance payments

Project partners' own contribution **cannot be** financed from other projects or programs co-financed by the EU (double financing)

Eligible VAT (Value Added Tax) except for projects with state aid



BASIC PRINCIPLES

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Project budget prepared jointly by **all project partners**, coordinated by the lead partner (Part II.3.4. of the Programme Manual)

Project partners are responsible for a budget that enables the implementation of activities to achieve project objectives

Expenditures envisaged in the budget should correspond to the planned activities of the project

Planning expenditures (CC4; CC5) based on market research (commercial offers)



**Commercial offers are not required at the application stage!
They may be required at the conditions meeting stage, make sure you have them!**



BASIC PRINCIPLES

(wrap up)

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Funding method - ERDF reimbursement only

Plan to cover 100% of the expenditure in the project - reimbursement will take place after the check by Controllers and Programme institutions (JS/MA) is completed

6-month reporting period (Jems)

Financial and spending capacity (cash flow) of the project partners should be carefully examined

Reimbursement of expenses paid to lead partner (LP) and distributed among project partners (PP) accordingly*



ELIGIBILITY OF EXPENDITURES (1)

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The expenditure is consider eligible if:

is needed to implement the project

was incurred and paid during the project implementation period indicated in the subsidy contract (the rule does not apply to preparatory costs and costs of LT controllers - part II.4.1. of the Programme Manual)

does not fall into the ineligible cost category (part II.4.4. of the Programme Manual)



ELIGIBILITY OF EXPENDITURES (2)

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was incurred in an efficient and economical manner, respecting the principle of achieving the best results from given expenditures, in a way that allows the timely implementation of tasks

was incurred in accordance with the provisions of the subsidy contract (was stipulated in the application form), the rules of the Programme and the applicable EU and national regulations (including the procurement rules)



Annex No. 5 to the Programme Manual
special procurement rules for Polish project partners



COST CATEGORIES

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CC1	Staff costs
CC2	Office and administration costs
CC3	Travel and accommodation
CC4	External expertise and services
CC5	Equipment
CC6	Infrastructure and works – not applicable to 2nd call for proposals



Lump sum for preparation costs does not belong to any cost category, should be included in section E1 of the application form (AF) – *Project lump sum*



CC1

Staff costs (1)

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- Gross employment costs of personnel of project partners specified in the AF, involved in the implementation of the project
- Full-time or part-time involved with project implementation
- Form of employment – contract of employment *
- Costs must be borne by the partner organisation
- Salary rates must be based on actual salaries in Partner organization
- Staff costs must relate to activities which the partner organisation undertakes due to project implementation



CC1

Staff costs (2)

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Eligible components of personnel costs

- salary payments fixed in the employment document/appointment decision*
- any other costs directly linked to the salary payments, incurred and paid by the employer (e.g., employment taxes and social security, including pensions), in accordance with the legislation and standard practices in the country and/or organization
- holidays resulting from the employer's regular obligations (part of the gross employment cost)
- overtime, provided it complies with national legislation and the partner organization's employment policy and is actually paid to the employee



CC2

Office and administration costs

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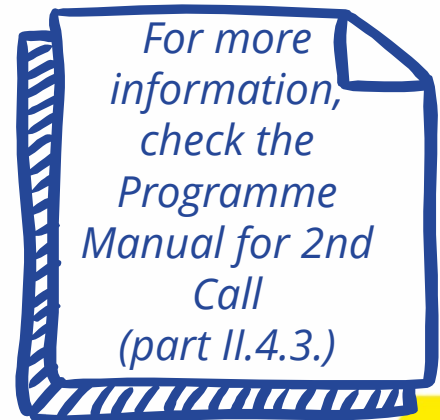
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- Operating and administrative costs of project partners
- Support for the implementation of project activities
- These costs may not be reported in any other cost category

Examples of eligible costs

- | | |
|--|--|
| <ul style="list-style-type: none">• office rent• office supplies• archives• utilities (e.g. electricity, heating, water)• communication (e.g. telephone, internet, postal service) | <ul style="list-style-type: none">• IT systems support• accounting• security• maintenance, cleaning and repairs• charges for transnational financial transactions• etc... |
|--|--|



CC3

Travel and accommodation

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- Incurred by employees of project partner institutions
- Having a direct relation to the activities of the implemented project
- Necessary for project management (participation in project meetings, meetings with Programme bodies, seminars, etc.).

Examples of eligible costs

- travel costs (e.g., tickets, travel and car insurance, fuel, car mileage, toll and parking fees)
- costs of meals
- accommodation costs
- visa costs
- daily allowances



CC4

External expertise and services

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- Expenditures of service providers and external experts contracted to perform specific tasks or activities necessary for project implementation
- Payments to external service providers must be made on the basis of contracts or written agreements, invoices or claims for reimbursement issued by that service provider



Employees of project partner's institution cannot be contracted as external experts!

Examples of eligible costs

- trainings
- participation in events (e.g., registration fees)
- studies or surveys (e.g., evaluations, strategies, concept notes, design plans)
- intellectual property rights
- translation
- development, modifications and updates to IT systems and websites
- services related to the organisation and implementation of events or meetings (including rent, catering or interpretation)
- etc...

For more information,
check the
Programme
Manual for 2nd
Call
(part II.4.3.)

CC5 Equipment (1)

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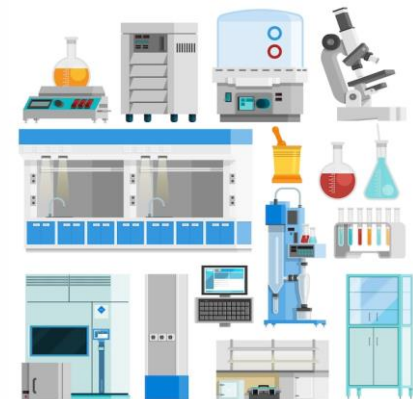
- Expenditure for the financing of equipment purchased, rented or leased by a project partner
- Necessary to achieve the objectives
- Relevance (functionality & quantity) justified in AF



Cannot be purchased, rented or leased from another project partner

Examples of eligible costs

- office equipment
- IT hardware and software
- furniture and fittings
- laboratory equipment
- machines and instruments
- tools or devices
- other specific equipment



CC5 Equipment (2)

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Specific rules for this cost category

*For more
information, check
the Programme
Manual for 2nd
Call
(part II.4.3.)*

- Equipment cannot be purchased, rented or leased from another project partner
- Equipment ownership and its function cannot be changed within 5 years after the project final payment (unless the depreciation period is shorter according national law)
- Operating and servicing costs of equipment used for project purposes are eligible
- In the case of a lease, the final ownership should belong to the project partner, and the lease period should be within the project implementation period



Ineligible costs (1)

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Examples of ineligible costs:

- Costs incurred and/or paid outside project duration (except the costs for Controllers for LT partners incurred and paid after the project completion until the submission of the final report)
- Costs related to political and religious activities
- Fines, financial penalties and expenditure on legal disputes and litigation
- Costs of gifts (promotional materials are not treated as gifts if distributed to event participants)*
- Costs due to exchange rate differences



Ineligible costs (2)

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- Charges for domestic financial transactions
- In-kind contribution
- Creation of project logos or other design elements
- Travel and accommodation costs of participants of events organised by the project, where the participants do not contribute to delivery of the project results
- Advance payments not foreseen in contract and not supported with an invoice or another document of probative value



Ineligible costs (3)

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- Contracting of employees of the partner organisations as external experts, e.g., as freelancers (by any other Project partner). It is not possible to contract an employee of the same institution, who is working independent with labour contract, to deliver any kind of services, which are a needed to reach project results
- Consultant fees or other service costs between partners for services and work carried out within the project

*For more
information, check
the Programme
Manual for 2nd
Call
(part II.4.4.)*





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Forms of reimbursement

Simplified cost options (SCO's) in the Budget

Forms of reimbursement of expenditures

**Real costs –
costs actually to be
incurred and paid**

**Simplified cost
options (SCOs)–
Lump sums;
Flat rates - % from
real costs**

Simplified cost options

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SCOs

Lumps sums and flat rates



Reduced administrative burden

Calculated automatically in the application form, and then when reporting in JEMS

Correction of reported real cost expenditure → correction of the flat rates

Controller checks focus on the correct reporting of real costs and verify that no expenditure related to the flat rates or lump sum is included in any other budget lines.

Simplified cost options

No need to provide financial documents as proofs of expenditures (invoices, payment proofs, etc.), except:

- The existence **Staff costs** (verified at least once during the 1 project) should be documented by at least one employment contract/equivalent document related to the project.

- Documentation of at least 1 trip per Project partner is required (e.g., mission report, meeting recording, or other similar evidence) confirming that the Project partner realizes a flat rate for **Travel and accommodation**.

Preparation costs

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Preparation
costs –
Lump sum

In total 2.250 EUR

ERDF
co-financing
1.800 EUR

Reimbursement for
approved projects with
the 1st report if
proof of delivery of
activities provided
(meeting agendas,
participant list, etc.)

Costs incurred by all Project Partners for preparation of the application **before the project's start:**

travel, accommodation, per diems and meals during partner meetings, translation (during partner meetings) and organization of the events (partners meetings)

Financial documents will not be checked

Amount can be split by partners in JEMS



Budget options

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Budget Option 1		Budget Option 2	
Cost category	Form of reimbursement	Cost category	Form of reimbursement
Lump sum for project preparation 2 250 EUR per project			
1. Staff costs	20 % flat rate of real costs	Staff costs	Real costs
2. Office and administrative costs	15 % flat rate of staff costs	Other costs	40 % flat rate of staff costs for all other costs
3. Travel and accommodation costs	15 % flat rate of staff costs		
4. External expertise and services costs	Real costs		
5. Equipment costs	Real costs		

Budget options (2)



How to choose?

- Small project team
- External services and equipment predominate
- Investment-related activities

Budget option 1

- Big project team
- Project team implements project activities
- External services have a relatively small part

Budget option 2



Budget options (3)

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Each partner within one project may choose between these two options

Option must be used for the entire lifespan of the project

- 
- Budget Options in JEMS cannot be selected automatically
 - Lead Partner/Project partner shall select SCOs for each Budget option manually and shouldn't be mixed



Partner Budget Options

- Staff costs flat rate
- Office and administrative costs flat rate based on direct staff costs
- Travel and accommodation flat rate

Other costs Flat Rate

Partner budget ⁱ

Staff costs

+ Add

External expertise and services

+ Add

Equipment

+ Add

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1st Budget option in JEMS



**1st step - Choose
correct flat rates!
It is not automatic
function!**

**Incorrectly chosen flat
rates may lead to
financial mistakes
and possible
financial losses**



Partner Budget Options

- Staff costs flat rate
- Office and administrative costs flat rate based on direct staff costs
- Travel and accommodation flat rate

Other costs Flat Rate

Partner budget ⓘ

Staff costs

+ Add

External expertise and services

+ Add

Equipment

+ Add

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2nd Budget option in JEMS



**1st step - choose
correct flat rates!
It is not automatic
function!**

**Incorrectly chosen flat
rate may lead to financial
mistakes
and possible
financial loses**





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Application procedure



Application procedure

Website address: <https://jems.lietuva-polska.eu>

after creating account, confirm e-mail → check spam folder

Contact us regarding JEMS at jems@lietuva-polska.eu

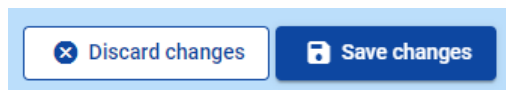
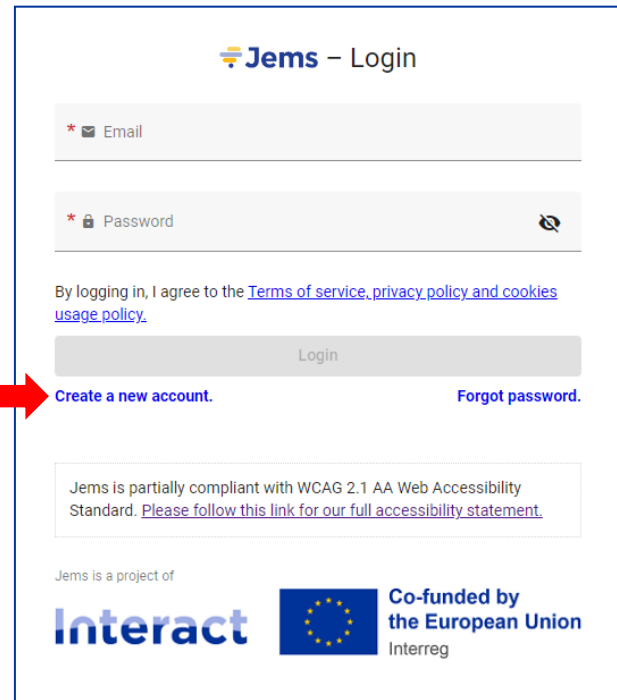
check guidelines on website:
[JEMS offline Application Form](#)
[JEMS offline Application Form Guide](#)

Obligatory fields marked with *

Character limit in text boxes

Save changes!

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Application procedure

GENERAL REQUIREMENTS



☞ Change password – click on your e-mail on top panel

☞ You can submit more than 1 application

ID	Name	Status	Started	Ends	Actions
2	2nd Call for Proposals for Small Projects	Published	01/09/2024 8:00 AM	02/29/2024 5:00 PM	Apply →

☞ Application ID number is assigned automatically

☞ **DRAFT** Status – Application Form can be edited

Call: 14 – 2nd Call for Proposals for Small Projects

Start date	01/09/2024
End date	Ends 02/29/2024. Time left: 48 days, 4 hours and 30 minutes.

[View detailed call information](#)

Create a new project application

Hint: all project data can be changed before submission.

Please provide an abbreviated project name for easier reference in the application form.

* Project acronym

☞ After it is **SUBMITTED**, no changes possible!

Status	Related call
Draft	2 - 2nd Call for Proposals for Small Projects



Application procedure

GENERAL REQUIREMENTS

➔ Application Form filled in English

➔ Partner details, motivation, budget → Partners overview

➔ Pre-submission check

➔ Export from system → AF in .pdf and budget in excel

➔ Give privileges – work on AF together

Partners overview

+ Add new partner

Run pre-submission check Submit project application

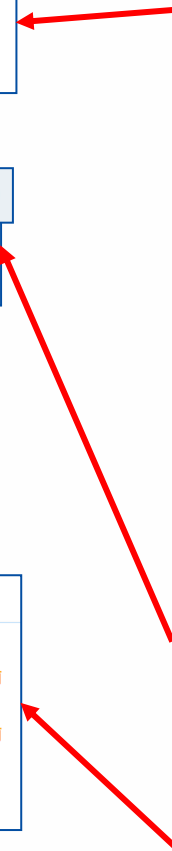
To submit this application, all conditions of the pre-submission must be met.

Application Form users / Project managers

* Jems username <small>Cannot be blank</small>	view edit manage	
* Jems username	view edit manage	

+ Add new user

- Project overview
- Application form
 - Project version (current) V.1.0
- A - Project identification
 - A - Project identification
 - A - Project overview tables
- B - Project partners
 - Partners overview
 - Associated organisations
- C - Project description
 - C.1 Project overall objective
 - C.2 Project relevance and context
 - C.3 Project partnership
 - C.4 Project work plan
 - C.5 Project Results
 - C.6 Project Time Plan
 - C.7 Project management
 - C.8 Long-term plans
- D - Project budget
 - D.1 Project budget per fund
 - D.2 Overview partner / cost category
 - D.3 Overview budget / period
- E - Project lump sums and unit costs
 - E.1 - Project lump sums
- Application annexes
- Check & Submit
- Exports for AF (and other)
- Project privileges



Application procedure

👉 Budget created for each Partner

- Staff costs flat rate
- Office and administrative costs flat rate based on direct staff costs
- Travel and accommodation flat rate
- Other costs Flat Rate

Equipment

Please update the budget table: The sum of the amount must match the

Description	Comments	Unit type	No. of units	Price per unit	Total	Period 1	Period 2	Period 3	Period 4	Gap
Equipment	Deliverable 1.1.	Equipment	5,00	5.000,00	25.000,00	0,00	0,00	0,00	0,00	25.000,00
+					25.000,00	0,00	0,00	0,00	0,00	

👉 Pay attention to scroll bars!

External expertise and services

+ Add

Equipment

+ Add

External expertise and services

Description	Comments	Unit type	Total
External Service	Activity 1.1.	Service	600,00
+			600,00



Application procedure

Lithuania – Poland

Preparation costs selected in part E.!

E - Project lump sums and unit costs
E.1 - Project lump sums

Project lump sums table
In this table you can define your project lump sums. Please choose the applicable lump sums from the dropdown and allocate the lump sum cost to project partner(s).

Please update the lump sum table: The sum of the amounts per partner must match the total lump sum costs.

Programme lump sum	Period	Split up	Costs	LP1 TEST1	PP2 TEST2	PP3 TEST3	Sum	Gap
Preparation ...	Preparation	Yes	2.250,00	0,00	0,00	0,00	0,00	2.250,00
				0,00	0,00	0,00	0,00	

Fill Co-financing for each partner

Co-financing
In this table you can define your co-financing. In order to see amounts, please, define your partner budget first in the section budget.

Source	Amount	Percentage
ERDF	36.000,00	80,00 %
Partner contribution	9.000,00	20,00 %
Partner total eligible budget	45.000,00	100,00 %

Origin of partner contribution

Source of contribution	Legal status of contribution	Amount	% of total partner budget
TEST1	Public	4.500,00	10,00 %

The total of contribution must match the total partner contribution (difference *4.500,00')





Application procedure

👉 Differences in 2nd call comparing to 1st call:

- No infrastructure works
- Two budget options
- Associated organisations
- State aid
- 1 Work Package

Partner Budget Options

Staff costs flat rate

Office and administrative costs flat rate based on direct staff costs

Travel and accommodation flat rate

Other costs Flat Rate

Partner budget [Ⓜ]

Staff costs
[+ Add](#)

External expertise and services
[+ Add](#)

Equipment
[+ Add](#)

State aid relevant activities

[State aid relevant activities](#)

N/A

[GBER Article 20](#)

[GBER Article 20a](#)

Staff costs flat rate

Office and administrative costs flat rate based on direct staff costs

Travel and accommodation flat rate

Other costs Flat Rate

A - Project identification

A - Project identification

A - Project overview tables

B - Project partners

Partners

LP1 ABC MUNIC

Associated organisations

Associated organisations

[+ Add new associated organisation](#)

No associated organisations





Application procedure

Lithuania – Poland

Application annexes

Annexes to be submitted with the application

Project statement	Annex 3
Project Partner Statement	Annex 4
Statement that the original document is available at partner institution <i>(if applicable)</i>	<i>Free form</i>
Authorisation to sign documents <i>(if not head of organisation is signing documents)</i>	<i>e.g. legal act/ decision /power of attorney</i>
Statement on non-discrimination for certain Polish partners <i>(if applicable)</i>	Annex 6
SME Declaration <i>(if applicable)</i>	Annex 8
Statement by Associated Organisation <i>(if applicable)</i>	Annex 9
Other relevant documents depending on the type of the project partner for Polish partners	<i>Refer to section III.2.2. on page 61</i>

Attachments i

- v Application attachments
 - v Partners
 - LP1 TEST
 - PP2 TEST2
 - v Investment documentation
 - I1.1

Annexes:

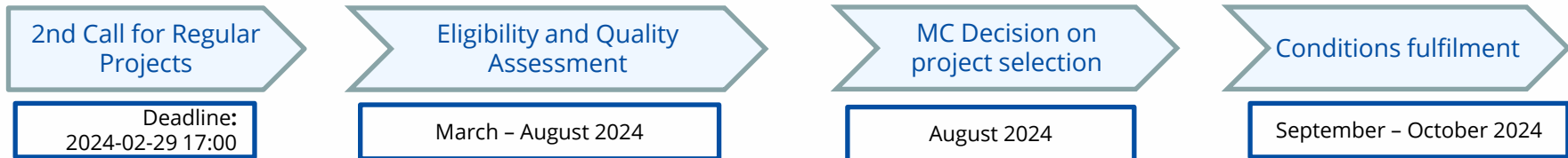
- PDF files preferred, maximum file size 50 Mb.
- assessment based on the information provided in the Application Form in JEMS and the mandatory attachments.
- any information in additional attachments **will not be used** for the assessment. Additional attachments can be included only in exceptional cases and upon prior agreement with the JS.



Assessment and selection procedure

Lithuania – Poland

APPROXIMATE TIMELINE



👉 Assessment in two steps:

- Administrative and Eligibility check
- Quality assessment

👉 Assessment **criteria** are indicated in part III.3 of the Programme Manual!





2nd Call for Small Projects

Lithuania – Poland

DEADLINE FOR SUBMISSION OF APPLICATIONS

29th February 2024

17:00 (Lithuanian time)

! Applications have to be submitted online via JEMS



! Fill in the Application Form carefully – read the Programme Manual

! Check the required annexes

! Contact us!      

