



**Guidance
to the Declaration on validation of expenditure
in the
SEE Partner Report**

(ANNEX 9 of the SEE Control Guidelines)

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European Territorial Co-operation 2007 – 2013



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1 Preparation of the Declaration on validation of expenditure in the SEE Partner report

The purpose of the present document is to provide detailed **guidance to the Controllers** involved in the verification of expenditure of the ERDF project partners (PP) and ERDF Lead Partners of the approved projects within the South East Europe Transnational Co-operation Programme for the **preparation of the Declaration on validation of expenditure in the SEE Partner Report**.

The reporting tool on partner level (SEE Partner Report) was developed for the SEE Programme in order to provide a **common document** for the following purposes:

- On the one hand each **ERDF Project Partner** can **provide** adequate **information concerning the** periodic activity and financial **progress of its project part** to support **the Lead Partner** (LP) preparing the Progress Report for the whole project.
- On the other hand the **ERDF Project Partners and the ERDF Lead Partners shall use the same tool for validating their expenditures by submitting the Partner Report to their designated Controller at national level**.
- In addition, **to support the Controllers' work**, the **SEE Partner Report tool automatically generates the Declaration on validation of expenditure** on the basis of the financial part of the Partner Report prepared by the Project Partners. Only some parts of Declaration on validation of expenditure need to be filled in by the Controllers, the major part is automatically filled in and need to be checked only.

The following detailed guidance is prepared to help the Controllers to fill in properly the Declaration on validation of expenditure.

As the same file of the reporting tool has to be used by the Controllers to generate the Declaration on validation of expenditure, the Controllers have to request the Project Partners to submit the electronic version of the Partner Report! For the proper separation of the work of the two “users” (Project Partners and Controllers) of the same reporting tool, **the parts of the tool deserved for the Controllers are protected by password**. For using the fields and sheets relevant for the Controllers, the password has to be entered on the “**Main data**” sheet of Partner Report submitted by the Project Partner, by clicking on “**Unlock Controller Part**”.

The password of the Controllers is always provided by the JTS directly to the Working Group of Controllers of the SEE Programme. The same password is to be used by each Controller as the protected version of reporting tool is directly sent by the JTS to the Lead Partners for distribution to their Project Partners.

Should the Controllers be confronted with any technical problem when preparing the Declaration on validation of expenditure, we advise them to contact the SEE Joint Technical Secretariat:

Email: jts@southeast-europe.net

2 “Declaration Form”

The controller declares in details that all the necessary verifications have been done, and declares the amounts of eligible expenditure (total, total public, ERDF, state contribution).

Fields to be filled in	Instructions	To be filled in by the Controllers (Y: Yes) Automatically filled in (-)
Project code	<i>The project code according to the subsidy contract</i>	–
Acronym	<i>The project Acronym according to the subsidy contract</i>	–
Name of the Lead Partner / Project Partner	<i>Name of the LP/PP’s institution – to be inserted in English</i>	–
Member State in which the Lead Partner / Project Partner is located	<i>Member State – to be inserted in English</i>	Y
Organisation/Controller issuing the declaration on validation of expenditure	<p><i>Depending on the control system set up in the Member State:</i></p> <p><i>Organisation: in case of centralised control systems, the designated control body responsible for issuing the declaration</i></p> <p><i>Controller: in case of decentralised control systems, the Controller appointed by the Designated Controller at Member State level (e.g. coordinating control body) to validate the LP/PP’s expenditure. The controller in this case can be an individual person or a body.</i></p>	Y
Reporting period for which the declaration is issued: from dd/mm/yyyy to dd/mm/yyyy	<i>The dates shall be inserted exactly according to the reporting periods fixed in the subsidy contract. Reporting periods cannot be overlapping, and periods cannot be shorter or longer than the periods fixed in the subsidy contract.</i>	–
Type of the declaration issued	<p><i>Two types of declarations can be issued:</i></p> <p><i>The “Regular” declaration means that for the given reporting period it is the first issued declaration. The numbering has to follow the numbering of the reporting periods, i.e. for the 1st reporting period Regular No.: 1., for the 2nd reporting period Regular No. 2. etc.</i></p> <p><i>The “Corrective” declaration means that for the given reporting period, the declaration is reissued i.e. corrections had to be made by the Controller (see Control Guidelines 3.5.2.). The numbering has to follow the numbering of the reporting periods and the number of corrections made in the given reporting period, i.e. for the 1st reporting period, the first reissued declaration: Corrective No.: 1.1., for the 2nd reporting</i></p>	Y

	<i>period, first reissued declaration Corrective No. 2.1. etc. In case a correction is made before submitting the declaration with the application for reimbursement to the JTS, the Regular version has to be attached as well, accompanied by a short explanation of the Controller for reissuing the document.</i>	
Total amount of eligible expenditure validated and covered by the present declaration and reduced by the amount of net revenues	<i>The amount has to be calculated on the basis of the data in Annex "B". The amount of net revenues in table III. has to be deducted from the amount "total" of the table I. (see below: "a"- "b") The amount has to be given in euros, by 2 decimals.</i>	–

I. Total amount of eligible expenditure validated and covered by the present declaration belong to the following Work Packages (WP) and Budget Lines

	WP 0	WP 1	WP 2	WP 3	WP 4	WP 5	WP 6	WP 7	Total
Staff									
Overheads									
Travel									
External exp.									
Equip.									
Investments									
Fin. charges									
Total	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

„a”



III. Revenues to be deducted from the total amount of eligible expenditure of the current period

	Revenues foreseen in the AF (Yes/No)	Amount of revenues generated (EUR)	Amount of net revenues to be deducted from the eligible expenditure (EUR)
Total		0,00	0,00

„b”



Amount of eligible public expenditure validated and covered by the present declaration	<i>The amount of eligible public expenditure is constituted from ERDF contribution, state contribution and own public and/or other public contribution. This amount has to be equivalent to the "Total amount of eligible expenditure validated and covered by the present declaration and reduced by the amount of net revenues" as in the SEE Programme only public contributions are allowed as sources of funding. The amount has to be given in euros, by 2 decimals.</i>	–
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Amount of ERDF validated and covered by the present declaration	<i>The amount of ERDF contribution has to be calculated taking into account the “Amount of eligible public expenditure validated and covered by the present declaration” and the ERDF contribution rate relevant for the given LP/PP. The amount has to be given in euros, by 2 decimals.</i>	–
ERDF contribution rate	<i>The ERDF contribution rate for each ERDF LP/PP is fixed in the Annex III. of the subsidy contract. The ERDF contribution rate cannot be higher than 85% by project partners. The ERDF contribution rate has to be inserted by 2 decimals.</i>	Y
Amount of state contribution validated and covered by the present declaration	<i>To be filled in only if relevant for the given LP/P, i.e. in case the Member State provides the project partner (by automatic or by specific calls) with national public contribution at state level for the project. Therefore only the amount to be reimbursed to the partner’s institution for the project shall be indicated. In case the partner’s organisation is a national public authority receiving regular public funds, its contribution is considered other public contribution. The amount has to be given in euros, by 2 decimals.</i>	–
State contribution rate	<i>To be filled in only if relevant for the given LP/PP. The state contribution rate has to be given according to the contract of the given LP/PP for state contribution. The state contribution rate has to be inserted by 2 decimals.</i>	Y
On-the-spot check 16-20	<i>Depending on the control system set up in the Member State, on the spot checks can be performed for each reporting period or on a sample basis. In case on the spot checks are performed on a sample basis in the given Member State, the answers for the points 16-20 can be negative (no, no on the spot check performed) as well.</i>	Y
Irregularity 21-22	<i>As described in the Control Guidelines, the Controller’s task in handling irregularities is to report to the suspected irregularity to the responsible national body. In case irregularity is suspected during the on the spot check by the Controller, it has to be reported at points 21-22.</i>	Y
Signature	<i>The declaration has to be signed by the authorised representative of the Organisation/Controller. The names of the persons entitled to sign the declaration have to be communicated to the JTS by the Designated Controller at Member State level before the submission of the first Application for Reimbursement.</i>	Y

3 Annex “A”

The controller reports in details on the findings of the desk based checks and the findings of the on the spot checks.

Fields to be filled in	<i>Instructions</i>	To be filled in by the Controllers (Y: Yes) Automatically filled in (–)
I. Desk based check	<i>Desk based checks has to be carried out for each reporting period, but this part has to be filled in only in case of deductions had been made due to ineligible expenditure in the list of expenditure declared by the LP/PP for the given reporting period.</i>	Y
Amount of ineligible expenditure deducted by the Controller and short explanation:	<i>In case ineligible expenditure is found by the Controller during the verification, the sum of the deducted amounts at the list of expenditure in the Annex “C” has to be given in this field. In case of several items were deducted due to different reasons, the deductions shall be explained. e.g. wrong calculation of staff costs WP1, expenditure not related to the project WP3, BL 4, no. 15, 19, 20-25., etc. If, no deductions were made, please insert “No ineligible expenditure found”.</i>	Y
II. On-the-spot check	<i>This part has to be filled only if relevant for the given reporting period. i.e. in case the answer given for the point 16 in the declaration form is “no”, this part remains empty. If the answer is “yes” for the point 16, it is obligatory to fill in this part.</i>	Y
Number, date and place of on-the-spot checks performed in the period covered by the present declaration on validation of expenditure:	<i>In case more than one on the spot check ware carried out in the given period, please list each of them.</i>	Y
Main findings of on-the-spot check(s) in the period covered by the present declaration on validation of expenditure:	<i>Shortly explain the results of the on the spot check and main findings, and deficiencies if found.</i>	Y

In case of deficiencies discovered by the Controller in the course of on-the-spot check, the following measures were taken by the Lead Partner / Project Partner in order to ensure compliance with the subsidy contract and the applicable Community and national rules.	<p><i>If deficiencies were found, explain case by case the measures taken by the LP/PP in order to comply with the subsidy contract and the applicable Community and national rules.</i></p> <p><i>If the deficiencies are not solved by the LP/PP, explain the further steps of the Controller.</i></p>	Y
Type of (documentary) evidence of on-the-spot check(s) performed:	<i>List the documents produced related to the on the spot check, e.g. on the spot check report/minutes, checklist, letter to the LP/PP, etc.</i>	Y

4 Annex “B”

The controller summarizes the total amount of eligible expenditure validated and covered by the given declaration by Work Packages (WP) and by Budget Lines (BL), the total amount of eligible expenditure related to special types of expenditure (common costs, in kind contribution, 10% and 20% flexibility rules), and the revenues to be deducted from the total amount of eligible expenditure.

Fields to be filled in	Instructions	To be filled in by the Controllers (Y: Yes) Automatically filled in (-)
I. Total amount of eligible expenditure validated and covered by the present declaration belong to the following Work Packages (WP) and Budget Lines as follows:	<p><i>Use the electronic version of the Partner Report, from 7.0 to 7.10 Invoices (same sections as the Project Partner), and fill in only the column reserved for the Controller’s: “Ineligible expenditure deducted by the Controller EUR”. The column “Eligible expenditure validated by the Controller EUR” is calculated automatically.</i></p> <p><i>The Section “Annex B Declaration” of the Partner Report summarizes automatically the financial data of the columns “Eligible expenditure validated by the Controller EUR” of the list of invoices.</i></p> <p><i>Due to possible deductions by the Controller, the Section 7. “Summary of expenditure” of the Partner Report which contains the amounts reported by the project partner and the Section “Annex B” of the declaration can be different. The project partner is not requested to resubmit the Partner Report according to the deductions. The validated expenditure has to be reported and summarized in the next Partner Report in Section 5. Financial Part, in “previously validated” columns.</i></p>	—

<p>II. Total amount of eligible expenditure validated and covered by the present declaration covers the following special types of expenditure:</p>	<p><i>The Section “Annex B Declaration” of the Partner Report summarizes automatically the financial data of the columns “Eligible expenditure validated by the Controller EUR” of the list of invoices.</i></p> <p><i>In order to have the adequate data, the special type of expenditure has to be selected at the last column of the list of invoices by the project partner (i.e. Common Costs (CC), in kind contribution, (KC), 10% (X), 20% (Y))</i></p> <p><i>Due to possible deductions by the Controller, the Section 6. “Special types of expenditure” of the Partner Report which contains the amounts reported by the project partner and the Section “Annex B” of the declaration can be different. The project partner shall not be necessarily requested to resubmit the Partner Report according to the deductions. The validated expenditure has to be reported and summarized in the next partner report in Section 6. Special types of expenditure, in “previously validated” columns.</i></p>	<p>–</p>
<p>III. Revenues to be deducted from the total amount of eligible expenditure of the current period:</p>	<p><i>Use the electronic version of the Partner Report, Section 8 “Revenues” (same sections as the project partner), and fill in only the column reserved for the Controller’s: “Total amount of net revenues validated by the Controller EUR”. Fill in each row, inserting the correct amount of net revenue. The Section “Annex B Declaration” of the Partner Report summarizes automatically the financial data from Section 8.</i></p>	<p>–</p>

5 Annex “C”

Annex C has to contain the full list of expenditure submitted by the Project Partner for verification by Work Packages (WP) and by Budget Lines (BL).

The Sections 7.0 – 7.10 Invoices and Section 8. Revenues have to be filled in by the Project Partners as part of the Partner Report, except the columns “Ineligible expenditure deducted by the Controller EUR” and “Eligible expenditure validated by the Controller EUR” (i.e. light blue columns)

Deductions made by the Controller have to be summarized and reported by the Controller in the Annex “A” (I. Desk Based Checks) of the Declaration on validation of expenditure, therefore the Annex “C” of the Declaration on validation of expenditure has to present each reported item and deduction.

The Partner Report signed by the Project Partner and the Declaration on validation of expenditure issued and signed by the Controller can be different only due to deductions of ineligible expenditure by the Controller. All other necessary corrections have to be made by the Project Partner by resubmitting the corrected and signed Partner Report.

I. List of invoices

Fields to be filled in	<i>Instructions</i>	To be filled in by the Controllers (Y: Yes) Automatically filled in (-)
No.	<i>Each item listed to be numbered. It is possible to add or delete rows as necessary</i>	–
Invoice No./ Documents of equivalent probative value ID	<i>The invoice number or ID (reference) of the document of equivalent probative value according to the original document</i>	–
Name of the service provider issuing the invoice	<i>The name of the body or person issuing the invoice exactly as it is written on the invoice</i>	–
Description of the expenditure	<p><i>Describe the type/subject of the expenditure in English according to the invoice/accounting document. In case it is required at national level, the description of expenditure shall be given both in national language and English</i></p> <p><i>Examples for description of expenditure by budget lines:</i></p> <ul style="list-style-type: none"> – <i>Staff costs: covered month(s), type of costs (salary/social security contribution), covered activity.</i> – <i>Overheads: type of expenditure (e.g. rental fee, electricity, phone, etc.)</i> – <i>Travel and accommodation costs: type of service provided (e.g. hotel, flight, bus, etc.), the name(s) of beneficiary staff, the destination / event related to (identifiable with the event / activity reported in activity report).</i> – <i>External expertise and services: type of service provided (survey, study, event organisation, audit, etc.), the related output (study, event, PR material, etc. identifiable in activity report as well), partial invoice (in case relevant).</i> – <i>Equipment: The description of purchased equipment(s), the related activity in WP (e.g. tool for field survey), clearly identifiable in the list of Equipment specification (part 5c of AF).</i> – <i>Small scale investment: The description of investment(s), the related activity in WP, clearly identifiable in the Investment description (part 5b of AF).</i> – <i>Financial charges and guarantees: type of service provided (bank account fee, transfer fee, etc.)</i> 	–

Activity fulfilled according to the approved AF	<i>Short reference to the activity fulfilled according to the approved application form to which the expenditure is related and the numbering of AF (e.g. act. 2.3; organisation of project event). In case the expenditure it is related to more activities (i.e. staff costs) all those should be listed.</i>	–
Issued on dd/md/yyyy	<i>The date of issuing the invoice/ date of the accounting document</i>	–
Paid on dd/mm/yyyy	<i>The date of payment of the expenditure according to the proof of payment (e.g. bank statement)</i>	–
Total amount in original currency	<i>The total gross amount indicated on the invoice in original currency. Costs incurred in EUR as original currency has to be also listed.</i>	–
Reported expenditure in original currency	<i>Insert the amount reported as project expenditure of the total amount in original currency included costs incurred in EUR as original currency. The reported expenditure shall be inserted according to the VAT status of the Project Partner. i.e. in case the PP can reclaim VAT, the reported amount shall not include the VAT. (see example!)</i>	–
Currency	<i>Insert the abbreviation of the original currency in which the expenditure incurred, e.g. EUR, RSD, ALL, HUF, etc. according to international standards</i>	–
Exchange rate	<i>Insert the monthly accounting exchange rate of the Commission in force in the last month of the reporting period for each currency other than Euro. In case the original currency is Euro, please insert “1”.</i>	–
Reported expenditure EUR	<i>The “Reported expenditure in original currency” is exchanged to EUR automatically, therefore it is obligatory to fill in the fields “Reported expenditure in original currency” and “Exchange rate”.</i>	–
Ineligible expenditure deducted by the Controller EUR	<i>This field has to be filled in by the Controllers in Sections 7.0 – 7.10 Invoices of the Partner Report. The data entered in the Partner Report by the Controllers is automatically transferred to the Annex C of Declaration on validation of expenditure!</i> <i>As all ineligible expenditure have to be reported by the Controllers in the Declaration on validation of expenditure, the Controllers shall use this column to indicate the amount of ineligible expenditure deducted.</i>	Y

Eligible expenditure validated by the Controller EUR	<i>This field is automatically calculated on the basis of the "Reported expenditure EUR" and the "Ineligible expenditure deducted by the Controller EUR."</i>	–
Common cost (CC) in kind contribution (KC) 10% (X) 20% (Y)	<i>In case the expenditure reported is considered as a special type of expenditure, the type has to be selected by the project partner at this column (i.e. Common Costs (CC), in kind contribution, (KC), 10% (X), 20% (Y)). It is important to fill in carefully this column as well, as the expenditure categorized according to the above types of expenditure will be summarized automatically in the Section 6. Special types of expenditure of the Partner Report, and in the Declaration on validation of expenditure Annex "B". In case this column is not filled in correctly, the information will be misleading, and the Controllers have to request completion of the Partner Report by the project partner.</i>	–

ATTENTION!

The reported expenditure shall be inserted according to the VAT status of the Project Partner!

Example No. 1: <i>The reported expenditure relates to the project in 100%</i>		PP reclaims VAT (VAT is not eligible expenditure)	PP does not reclaims VAT (VAT is eligible expenditure)
Invoice data	Gross amount	6000	6000
	VAT (e.g. VAT 20%)	1000	1000
	Net amount	5000	5000
Data on the list of invoices	Total amount in original currency	6000	6000
	Reported expenditure in original currency	5000	6000
	Currency	EUR	EUR
	Exchange rate	1	1
	Reported expenditure EUR	5000	6000
	Ineligible expenditure deducted by the Controller EUR	500	500
	Eligible expenditure validated by the Controller EUR	4500	5500

Example No. 2: The reported expenditure relates to the project in 50%		PP reclaims VAT (VAT is not eligible expenditure)	PP does not reclaims VAT (VAT is eligible expenditure)
Invoice data	Gross amount	6000	6000
	VAT (e.g. VAT 20%)	1000	1000
	Net amount	5000	5000
Data on the list of invoices	Total amount in original currency	6000	6000
	Reported expenditure in original currency	2500	3000
	Currency	EUR	EUR
	Exchange rate	1	1
	Reported expenditure EUR	2500	3000
	Ineligible expenditure deducted by the Controller EUR	500	500
	Eligible expenditure validated by the Controller EUR	2000	2500

II. Revenues

Fields to be filled in	Instructions	To be filled in by the Controllers (Y: Yes) Automatically filled in (-)
No.	<i>Each item listed to be numbered. It is possible to add or delete rows as necessary</i>	–
Documents of equivalent probative value ID	<i>Insert ID (reference) of the document of equivalent probative value according to the original accounting document</i>	–
Description of the revenue	<i>Describe the type/subject of the revenue in English according to the accounting document. In case it is required at national level, the description of expenditure shall be given both in national language and English e.g. conference participation fees, revenues from the sales of publications or books, etc.</i>	–
Related activity according to the AF	<i>Give short reference to the project activity according to the approved application form which generated the revenue. e.g. “conference for building sustainable cities”</i>	–
Revenue incurred on (date)	<i>The date of cash-in-flows from the users of the goods and/or services provided by the project</i>	–

Date of accounting the revenue	<i>Insert the date on which the revenue is accounted according to the original accounting document</i>	–
Total amount of revenues generated original currency	<i>The total amount of cash in-flows directly paid by users for the goods and/or services provided by the project</i>	–
Total amount of net revenues original currency	<i>The total amount of revenues generated has to be discounted to net revenues.</i>	–
Currency	<i>See instructions for the list of invoices</i>	–
Exchange rate	<i>See instructions for the list of invoices</i>	
Total amount of revenues generated EUR	<i>The “Total amount of revenues generated” is exchanged to EUR automatically, therefore it is obligatory to fill in the fields “Total amount of revenues generated original currency” and “Exchange rate”.</i>	–
Total amount of net revenues EUR	<i>The “Total amount of net revenues” is exchanged to EUR automatically, therefore it is obligatory to fill in the fields “Total amount of net revenues generated original currency” and “Exchange rate”.</i>	–
Total amount of net revenues validated by the Controller EUR	<p><i>The Controller has to confirm the amount of net revenues in EUR in Section 8. Revenues of the Partner Report. The data entered in the Partner Report by the Controllers is also automatically transferred to the Annex C of the Declaration on validation of expenditure!</i></p> <p><i>This amount has to be deducted from the total eligible amount validated on the list of invoices.</i></p>	Y