

# Eligibility rules & SCOs

Grzegorz Golda | Interact | 24.04.2025

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# Contact your programme !



**Interreg**



Με τη συγχρηματοδότηση  
της ΕΥΡΩΠΑΪΚΗΣ ΕΝΩΣΗΣ

**Ελλάδα – Κύπρος**



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# Eligibility of expenditures

## Timeline



**Preparation/approval of a project  
proposal**



**Implementation of a project**



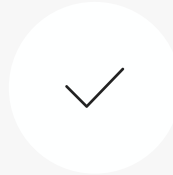
**Project's expenditures declaration  
and verification**

# Eligibility of expenditures

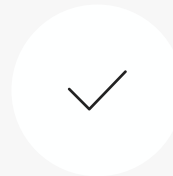
## Hierarchy



EU level – EU regulations



Programme level – specific  
programme rules



National level - national rules  
applicable in each Partner state



Partner institutional level - internal  
rules applicable to each partner  
organisation



# Eligibility of expenditures

# Ineligible costs



**No double-financing**



**Common Provision Regulation  
(CPR)**



**ERDF Regulation**



**Interreg Regulation**



**Programme specific rules & procedures**

# Eligibility of expenditures

## Eligible costs

### CPR



Value added Tax (VAT) for projects with total costs below 5 M € (including VAT)/ no State aid !



In- kind - conditions



Depreciation costs – conditions



Purchase of land – 10% of the total eligible expenditure limit (derelict sites 15%)

# Eligibility of expenditures

## Eligible costs

## Cost categories &...



### 6 cost categories

(staff, office and administrative costs, travel and accommodation costs, external expertise and services, equipment costs, costs of infrastructure and works).



### Programme specific costs



### Programme specific limits and ceilings

# Eligibility of expenditures

## Points of attention



**Contracting of staff/employees of another PP - ineligible**



**Depreciation costs before the start and after the end of the project – ineligible**



**Travel and accommodation of external experts, speakers, chairpersons of meetings and service providers**



**Overlaps between cost categories risk of double-financing (SCOs)**



**Joint activities**



**Expenditures outside the programme area**



# Eligibility of expenditures

## Eligibility period



**Preparation activities**



**Implementation of project  
(beginning/end date of a project; the  
date of approval of changes in a  
project, date of submission the final  
request for changes)**



**The last activity/ the final payment**

# Eligibility of expenditures

## Case 1

- is the cost eligible?
- under which cost category?
- any (pre)conditions, additional explanations needed?

The project employed a new team member from a non-EU country.

To commence work, the individual is required to secure a work and residence permit. The project manager has opted to allocate funds from the project budget to cover the expenses associated with obtaining the work and residence permit, along with an EU driving licence permit.

# Eligibility of expenditures

## Case 2

- is the cost eligible?
- under which cost category?
- any (pre)conditions, additional explanations needed?

To access the subway from the airport to the city centre, a project team member utilized a contactless payment card as ticketing.

There were no ticket offices or ticket machines available at the airport for traditional ticket purchasing.

# Eligibility of expenditures

## Case 3

- is the cost eligible?
- under which cost category?
- any (pre)conditions, additional explanations needed?

Project team members decided to use Uber for their transportation to the airport due to an early flight.

# Eligibility of expenditures

## Case 4

- is the cost eligible?
- under which cost category?
- any (pre)conditions, additional explanations needed?

Project team member travels to a 2-day conference abroad. The round-trip subway ticket from the airport to the city centre costs 20 EUR.

Instead, a project team member decides to purchase a 3-day ticket for all modes of transportation, which costs 22 EUR.

# Eligibility of expenditures

## Case 5

- is the cost eligible?
- under which cost category?
- any (pre)conditions, additional explanations needed?

The project partner, Faculty of technical sciences, organized a Hackathon event as a project activity.

The event was delivered by a local travel agency. The triumphant team received a travel voucher as an award.

# Eligibility of expenditures

## Budget split



**Sources of financing – ERDF/ other  
+ national co financing**



**Budget per Work package/  
deliverable**



**Annual budget allocation**



**Budget allocation per cost category**



**Budget allocation per project  
partner**

# Eligibility of expenditures

## Cost categories & reimbursement options







**Real costs (incl. fixed percentage method)**



**Simplified cost options (SCOs)- flat rates, unit costs, lump sums**



# Overview - reimbursement options

Cost categories				
Staff costs	Real costs or FR of 20% of direct costs	Real costs	Fixed % of the real gross employment costs	Fixed % of the real gross employment costs
Office	Real costs or FR of 15% of staff costs	Real costs or FR of 15% of staff costs	FR of 15% of staff costs	FR of 15% of staff costs
Travel	Real costs or FR of 15% of staff costs	Real costs or FR of 15% of staff costs	FR of 15% or 22% (IPA) of staff costs (real costs only if duly justified)	FR of 15% of staff costs (real costs only if duly justified)
External expertise	Real costs	Real costs	Real costs	Real costs
Equipment	Real costs	Real costs	Real costs	Real costs (limits)
Infrastructure	Real costs	Real costs	Real costs	Real costs (limits)
Other costs FR 40%	Yes	No	No	No
Preparation costs	Real costs (staff, travel, external expertise) or Lump sum	No	Lump sum	Lump sum

# Reimbursement options



Up-front choice of a desired option / no changes possible



Fixed percentage – no time sheets needed!



Visit your programme website - [tutorials](#)



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**Office and administrative costs**  
Your cost on the eligibility of office and administrative costs (indirect costs).

**Summary**

Office and administrative costs cover general office and administrative expenses related to the project. This costs to include the depreciation of the office, electricity, postage, etc.

**Large information**

According to Article 65(1) of Regulation (EU) No 1023/2009 (Interact Regulation), office and administrative costs are limited to:

- Office rent
- Insurance and taxes related to the building where staff are located, and to the office (such as electricity, heating, water)
- Office equipment
- Office supplies
- Postage
- Telephone, faxing and internet
- Security
- Transportation (such as bicycles, bus, internet, petrol services, business cards)
- Consumables for printing and photocopying, the account or internet access, the bank charges for printing and photocopying and internet access
- Changes in the cost of electricity

The above list is not exhaustive, and programme control and additional type of costs to this list. The above list is not exhaustive, and programme control and additional type of costs to this list.

**HIT Factsheets**

Tags: Eligibility, HIT

Date Published: 01 July 24

**Summary**

The table below presents a short recap of the audit trail for verification of staff costs:

Required documents depending on the reimbursement option	Real costs			SCOs		Flat rate <sup>14</sup> (e.g., up to 20% of direct costs)
	Full-time	Part-time	Actual hours	1720h method (Article 55(2)(a) CPR)	Average monthly working time (Article 55(2)(b) CPR)	
Employment/work contract/ contract/ another document	✓	✓	✓	✓	✓	✗
Job description	✓	✓	✓	✓	✓	✗
Payslips	✓	✓	✓	✗ <sup>16</sup>	✗ <sup>17</sup>	✗
Data from the time registration system (e.g., timesheets)	✗	✗	✓	✓	✓	✗
Proof of payment	✓	✓	✓	✗	✗	✗



**Fixed percentage staff cost calculation method for staff working part-time on a project**

**Regulation of indirect programme management practices**  
August 2023

**Summary**

Indirect costs are the costs of the programme management practices. The fixed percentage method is used to calculate indirect costs. The fixed percentage method is used to calculate indirect costs. The fixed percentage method is used to calculate indirect costs.

**Details and key practices**

The fixed percentage method is a cost-based method to calculate indirect costs. It is not a standard cost-based method. It is a cost-based method to calculate indirect costs. It is not a standard cost-based method. It is a cost-based method to calculate indirect costs.

**Factsheet | Fixed percentage part time staff costs**

Tags: Eligibility

Date Published: 08 August 21



**Verification of simplified cost options (SCOs)**  
March 2023, v.2

**Practical implications of SCOs on control and audit work**

**Contents**

1. Verification of SCOs - main principles
2. Verification of SCOs
3. Verification of flat rates
4. Practical examples of verification of the flat rate method
5. Verification of unit costs
6. Practical examples of verification of the unit costs method
7. Verification of long-term costs
8. Practical examples
9. Double funding and SCOs
10. Double funding and SCOs
11. Double funding and SCOs
12. Double funding and SCOs
13. Double funding and SCOs
14. Double funding and SCOs

**Factsheet | Verification of SCOs and implications for control and audit**

Tags: SCOs, Audit, Management verifications

Date Published: 12 September 23

# Eligibility of expenditures

## Project changes



Pogramme rules! – simplifications –  
e.g. [Interreg Europe 20% rule](#),  
limits, restrictions...



Information/approval



Application form update required  
Yes/No



Who approves what type of change



Project changes/ project partner  
changes

# Eligibility of expenditures

## Project changes – overarching rules



**Ask your programme!**



**Keep your Lead Partner in the loop**



**Proactive not reactive - Do not wait till the very last moment**

# Eligibility of expenditures

## Project changes & SCOs



### Flat rates

- no changes of % fixed at the application form;
- any changes to the basis costs (reduction, increase) will lead to respective changes in the amount of the flat rate – this is particularly important with combination of many flat rates or 40% flat rate for other costs



### Unit costs

- no changes to the unit costs set up in advance (updates of the methodology might be foreseen);
- paid by the real number of delivered units
- changes to the content when a unit cost is the only reimbursement option (case-by-case approach);



### Lump sums

- scope of changes very limited – timeline, minor changes in delivery methods
- no changes to output/result agreed in advance to be delivered by the project

# Project changes

## Case 1

	Lead partner (LP)	PP1	PP2
Staff	Real costs	Real costs	Real costs
Office	15% FR	15% FR	40% FR
Travel	15% FR	15% FR	
External expertise	Real costs	Real costs	
Equipment	Real costs	Real costs	

Due to internal budget constraints, LP is unable to procure support materials which will be shared with participants after the training.

The PP2 would like to take over this activity instead

- is it possible?
- any (pre)conditions, additional explanations needed?

# Project changes

## Case 2

	Lead partner (LP)	PP1	PP2
Staff	Real costs	Real costs	Real costs
Office	15% FR	15% FR	40% FR
Travel	15% FR	15% FR	
External expertise	Real costs	Real costs	
Equipment	Real costs	Real costs	

A staff member from the PP1 has gone on maternity leave. Since hiring a replacement would take time, the partners have agreed that PP2 will take over this responsibility, as they have staff available.

- is it possible?
- any (pre)conditions, additional explanations needed?

# Project changes

## Case 3

	Lead partner (LP)	PP1	PP2
Staff	Real costs	Real costs	Real costs
Office	15% FR	15% FR	40% FR
Travel	15% FR	15% FR	
External expertise (EE)	Real costs	Real costs	
Equipment	Real costs	Real costs	

LP saved 25% of initial EE cost category when purchasing IT hardware and software. At the same time, PP2 realised that a member of his staff will work more hours so PP2 would like to add the whole saved amount to his staff cost category.

- is it possible?
- any (pre)conditions, additional explanations needed?



# State aid/ de minimis (extra)

- during project  
implementaion



LP/PP - monitoring implementation of activities for direct and indirect aid



In case of any doubts contact your programme immediately



Be careful with project changes



Infringement to State aid rules can lead to major financial errors and irregularities

# Cooperation **works**