

Verification of unit costs in practice

Standard hourly rates





Projects portfolio





NO BUDGET LIMIT

SCO:

Preparation costs + Hourly rate + 15% (office) + 15% (travel)

Real costs:

External service / Equipment / Investment



Small projects





Strategy support

BUDGET LIMIT

100 % SCO

Preparation costs + Hourly rate + 40% (all other costs)

Lump sum – Annual Strategy Forum



Monitoring process – sample selection

The verification considers the **professional judgment** and the following **risk factors**:

- Amounts of hours worked for the project and corresponding costs.
- Legal status of the project partners, focusing on private partners, local authorities, universities, NGOs, and associations.
- Project partners involved in more than one Interreg BSR project.
- Outcomes of the quality assessment of the application.
- Outcomes of the staff verification of previous reports.

Each project partner must be checked at least once during the project implementation. The emphasis is laid on staff costs declared for the first time.





Monitoring process – sample selection

First progress report

- at least the top 50% of project partners of the given progress report (declared amount in staff cost category)
- at least 2 employees of the selected project partners.

Second and the following progress reports

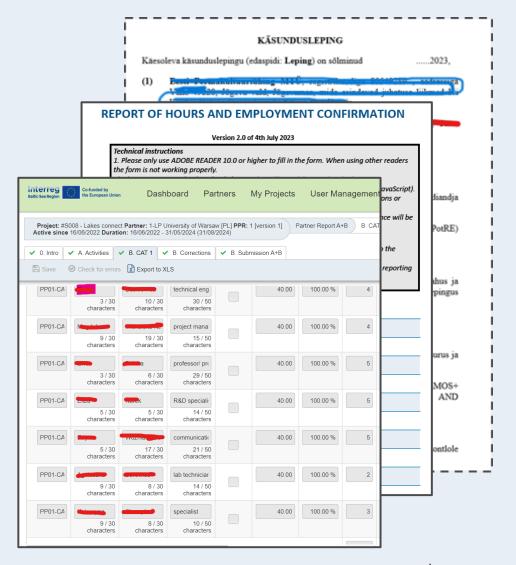
- a minimum 25% (rounded up) but not less than 2 project partners and
- a minimum 2 employees of the selected partners.

The selection of partners for the verification is based on professional judgment considering defined risk factors





- Standard hourly rate per country
- An employee of the project partner
- 1,720 hours per full time employee per calendar year.
 - pro- rata of 1,720 hours for employees working part-time.
 - a pro-rata of 1,720 hours for reporting periods shorter than 12 months.
 - for all BSR projects employee works on
- Only productive hours worked for the project







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How?



Fixed in BAMOS+





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How?

Report of hours and employment confirmation

(mandatory)

Copies of employment contracts (on request)





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How?

Automatic validation in:



- Report of hours and...
- BAMOS+ (partner report)

based on workload and staff reporting period from Report of Hours





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How?



A bulk check of partners involved in more than one BSR projects





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How?

1720 rule

Description of tasks carried out during reporting period – Report of Hours

Registered working time - Report of Hours

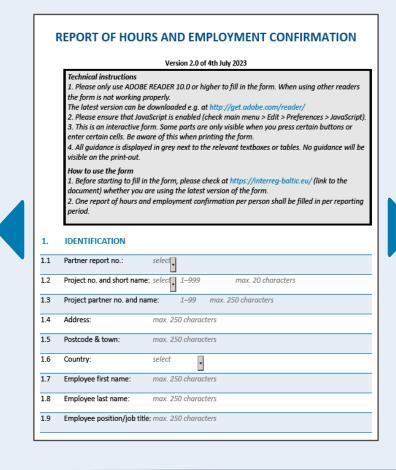




Report of hours and employment confirmation

Administrative check

- Identification of the project/project partner correct
- Document duly signed
- Data copied correctly to BAMOS+
- No handwritten corrections
- Document consistent (no missing pages)
- All fields filled in correctly
- E-signatures with metadata



Content check

- Description of task plausible and consistent with number of hours
- Registration of working time
- The workload is plausible
- Description of equivalent of employment contract plausible
- Originals of employment contract (if necessary)
- Job description given and plausible







- - Missing signatures.
 - E-signed files without metadata.
 - Inconsistent data (Partner Report / Report of Hours).
 - One person signs it all.
 - Workload.
 - Manual corrections of eligible hours in Report of Hours.
 - Insufficient tasks description.



Consistency matters!

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- Communication, consultation, discussion.
- Standard clarification messages.
- Keeping the audit trail.
- Training of the project partners.



How would you apply 1720 rule?



Contracts without defined working time.

Certain types of contracts do not have the working time defined or have only a time frame for the delivery of tasks (for example from January to December) and it is not possible for such contracts to calculate/define the workload.



How would you apply 1720 rule?



Employees with more than one employment contract.

- a) An employee has more than one contract with the project partner: full-time contract and an additional contract exclusively for the project.
- b) One employee has a separate contract for every project implemented by PP and each contract does not have the working time defined.





Reporting time

Reports are in around 66% faster

Payment time

Projects receive funds almost 50% quicker



Less documents

One document covering 3 cost categories



Audit findings

No findings



Cost of control*

Partners dedicated **84% less** funds **for control**

*Countries with decentralised system





- 1) Include the possibility in the original methodology
- 2) Plan in advance
- 3) Justify the need
- 4) Set the cut-off date
- 5) Start two months earlier
- 6) Always have a plan B
- 7) Cooperate with Audit Authority
- 8) Make it consistent with original methodology
- 9) Do not overcomplicate





Original set up:

- Hourly rate calculated based on the historical data employment costs reported 2015-2020.
- 7-year index (based on the LCI labour cost index from EUROSTAT) added to make it relevant for 2021-2027.

What would you do?



Time for your questions!



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