

Flexibility rule Call 6 projects

Interreg EMR presentation
05/2021

General principles

Possibility to **overspend any project budget line and work package by up to 20%** (of this budget line or work package).

The overspent has to be counterbalanced through lower spending under other budget lines/ work packages.

Limitations:

- ✓ The total project budget cannot be increased.
- ✓ The total budget of a partner cannot be increased.
- ✓ The WP management cannot be increased.

General principles

- ✓ Possibility to overspend > no amendment of the application form
- ✓ **Automatically** granted (no pre-approval by programme necessary)
- ✓ Applied on **project** level.

- ✓ At **partner** level you may exceed the budget **by more than 20%** on budget line or work package level as long as this is **agreed** with the lead partner/project partnership and the overall limits on **project** level are **not exceeded**.
*Remember: the **total** partner budget cannot be exceeded, see previous slide.*

- ✓ Overspending that is not covered by the flexibility rule: request for a major change necessary.

Examples



Examples – maximum overspent

Example for projects with O&A set at 16,5%

| Project | Maximum overspent of 20% |
|--------------------------------|--------------------------|
| Staff costs: 2,000,000 | 400,000 |
| Admin – 16,5%: 330,000 | 66,000 |
| Travel: 0 | 0 |
| External expertise: 100,000 | 20,000 |
| Equipment: 0 | 0 |

> Overspending needs to be counterbalanced by savings in other budget lines

Examples – overspending at partner level

| Project |
|-----------------------------|
| Staff costs: 2,000,000 |
| Admin (16,5%)*: 330,000 |
| Travel: 0 |
| External expertise: 220,000 |
| Equipment: 0 |

| Partner A – budget in AF |
|--------------------------|
| Staff costs: 60,000 |
| Admin (16,5%): 9,900 |
| Travel: 0 |
| External expertise: 0 |
| Equipment: 0 |

| Partner A – actual spent |
|----------------------------|
| Staff costs: 40,000 |
| Admin (16,5%): 6,600 |
| Travel: 0 |
| External expertise: 23,300 |
| Equipment: 0 |

Even if Partner A does not have budget under external expertise in the AF, there is budget for this defined at project level. This means that Partner A can also report costs under external expertise, as long as the total partner budget is not exceeded.

***16,5% of staff costs** – this is a lump sum and it is automatically calculated based on the staff costs certified; if the staff costs declared exceed the 20% flexibility rule, so will the office and administration

Examples – correct overspending based on the 20% flexibility rule

Project expenditure per budget line

| Budget line | Approved budget in application form | Actual spent |
|---------------------------------|-------------------------------------|------------------|
| Staff | 2,000,000 | 2,200,000 |
| Office & Administration (16,5%) | 330,000 | 363,000 |
| Travel & Accommodation | 0 | 0 |
| External expertise | 300,000 | 117,000 |
| Equipment | 100,000 | 50,000 |
| Infrastructure | 0 | 0 |
| Total | 2,730,000 | 2,730,000 |

OK

Staff & admin overspent but within the limits of the flexibility rule (each less than 20% of original budget)

Examples – correct overspending based on the 20% flexibility rule

Project expenditure per work package

| Work package | Project total budget | Total declared to JS |
|--------------------|-----------------------|-----------------------|
| Wp M | € 213,250.00 | € 180,250.00 |
| Wp T1 | € 1,756,777.91 | € 1,023,305.75 |
| Wp T2 | € 1,445,625.83 | € 1,671,041.00 |
| Wp T3 | € 1,073,992.93 | € 674,698.44 |
| Wp T4 | € 114,742.00 | € 19,919.02 |
| Wp C | € 109,000.00 | € 110,000.55 |
| Total | € 4,713,388.67 | € 3,679,214.76 |
| <i>Net Revenue</i> | <i>€ 0.00</i> | <i>€ 0.00</i> |
| Total | € 4,713,388.66 | € 3,679,214.76 |

OK

Two work packages (WP2 and WP C) overspent but within limits of flexibility rule (each less than 20% over budget)

Further examples of the flexibility rule

Project expenditure per budget line

| Budget line | Approved budget in application form | Actual spent |
|---------------------------------|-------------------------------------|--------------|
| Staff | 2,000,000 | 2,200,000 |
| Office & Administration (16,5%) | 330,000 | 363,000 |
| Travel & Accommodation | 0 | 0 |
| External expertise | 300,000 | 107,000 |
| Equipment | 100,000 | 50,000 |
| Infrastructure | 0 | 10,000 |
| Total | 2,730,000 | 2,730,000 |

OK
Staff & admin overspent but within the limits of the flexibility rule (each less than 20% of original budget)

NOT OK
Infrastructure project budget =EUR 0
20% of 0 = 0, no overspending possible

Examples – wrong application

Project expenditure per partner

| Partner | Project total budget B | Js |
|---------|------------------------|------------------|
| | | Reported to js I |
| T1 | € 610.740,00 | € 517.651,25 |
| A | € 687.403,00 | € 280.381,00 |
| + | € 697.115,00 | € 8.232,73 |
| A | € 8.991,66 | € 8.991,66 |
| H | € 424.504,00 | € 64.599,89 |
| B | € 741.024,00 | € 439.907,24 |
| H | € 565.646,00 | € 230.145,68 |
| J | € 322.824,00 | € 442.055,55 |
| C | € 24.138,00 | € 0,00 |
| B | € 354.775,00 | € 0,00 |
| C | € 17.428,00 | € 0,00 |
| T3 | € 258.800,00 | € 0,00 |

NOT OK

Partners cannot overspend their total budget

How to monitor & recommendations

Recommendations

- ✓ Agree internally on how to apply the flexibility rule at partner level.
- ✓ Closely monitor your budget & use your own budget monitoring tools (export data from the eMS)
 - ✓ LPs should check the Project living tables in the eMS
 - ✓ PPs should check the Partner living tables in the eMS
- ✓ Always monitor the spending at budget line and work package level as well when applying the 20% flexibility rule

How to monitor?

Partner

- 1) Before submitting a **partner report**, always check: am I overspending anywhere?
- 2) If yes, is this within the agreed limits of the flexibility rule?

Lead Partner

- 1) Before submitting a **project report**, always check: are work packages or budget line or partner budgets exceeded?
- 2) If yes, is this within the allowed limits of the flexibility rule?

Make the necessary corrections before submission!

How to monitor?



All budget tables in the eMS can be exported

- General budget monitoring (live monitoring)
 - > **Check the 'project living tables' (left menu) – for LPs**
- Report monitoring:
 - > Check the tab 'project report overview'

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- Project livingtables
- Project
- Supplementary Information
- Exit

Report

Workpackages

Certificates

Project report overview

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How to monitor?



All budget tables in the eMS can be exported
PPs should check the partner living tables & the global list of expenditure

Partner Reports

1 - EGTC Euregio Meuse-Rhine - EGTS EMR

| Report | Report Start | Report End | State | Date Of Partner Report Submission | Date Of Partner Report First Submission | Date of flc verification | Included In Project Report | Total Partner Expenditure Declared | View Report | Certificate | Download Attachments |
|----------------------------------|--------------|------------|-------|-----------------------------------|---|--------------------------|----------------------------|------------------------------------|-------------|-------------|----------------------|
| Period 1 01.03.2021 - 31.08.2021 | | | | | | | | | | | |
| Period 2 01.09.2021 - 28.02.2022 | | | | | | | | | | | |
| Period 3 01.03.2022 - 31.08.2022 | | | | | | | | | | | |
| Period 4 01.09.2022 - 28.02.2023 | | | | | | | | | | | |
| Period 5 01.03.2023 - 31.08.2023 | | | | | | | | | | | |

Partner livingtables Partner global loe Check partner

Attention points



Avoid surprises at the end - the lead partner has to monitor carefully the application of the flexibility rule!
All partners need to monitor their own budgets and discuss overspendings with the LP, if this is the case



Make sure to use the correct numbers! The flexibility rule is calculated on the basis of the *latest approved application*.



Questions?

Ask your project manager at the
joint secretariat or regional antenna

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