

Flexibility rule for calls 1-5

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

Project	Maximum overspent of 20%
Staff costs: 2,000,000	400,000
Admin: 300,000	60,000
Travel: 3,000	600
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	Partner A – budgeted in AF	Partner A – actual spent
Staff costs: 2,000,000	Staff costs: 60,000	Staff costs: 40,000
Admin*: 300,000	Admin: 9,000	Admin: 6,000
Travel: 30,000	Travel: 900	Travel: 600
External expertise: 220,000	External expertise: 0	External expertise: 23,300
Equipment: 0	Equipment: 0	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.

*15% of staff costs – this is a lump sum and it is automatically calculated based on the amount certified for staff costs

Examples – correct application

Project expenditure per budget line

Budget line	Approved budget in application form	Actual spent
Staff	2,000,000	2,200,000
Admin	300,000	330,000
Travel & accommodation	30,000	33,000
External expertise	300,000	107,000
Equipment	100,000	60,000
Infrastructure	0	0
Total	2,730,000	2,730,000

OK

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

Examples – correct application

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>	€ 0.00	€ 0.00
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)

Examples – wrong application

Project expenditure per budgetline

Budgetline	Project total budget B		
		Total declared to fic C	To
Staff costs	€ 1.309.540,00	€ 760.376,95	
Office and administration	€ 196.431,00	€ 114.056,54	
Travel and accomodation	€ 43.100,00	€ 6.933,82	
External expertise and services	€ 444.223,69	€ 30.831,89	
Equipment	€ 0,00	€ 2.410,56	
Infrastructure and works	€ 0,00	€ 0,00	
Total	€ 1.993.294,69	€ 914.609,76	
Net Revenue	€ 0,00	€ 0,00	
Total eligible expenditure	€ 1.993.294,68	€ 914.609,76	

NOT OK

Equipment project budget =EUR 0
20% of 0 = 0, no overspending possible

Export

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?

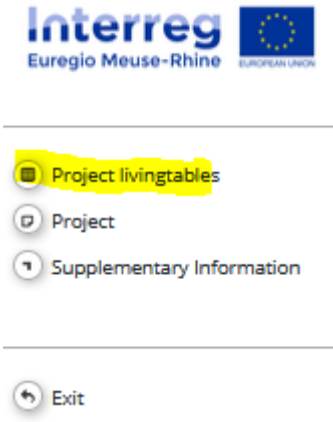
Make the necessary corrections before submission!

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'



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 ftc 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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