

**Interreg**  
**Euregio Meuse-Rhine**  
European Regional Development Fund



## CATALOGUE OF ELIGIBLE COSTS

Interreg V-A Euregio Meuse-Rhine

Version 4 – March 2020

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This Catalogue of eligible costs Interreg V-A Euregio Meuse-Rhine is built on the experience of the previous programmes and the new regulations of the European Commission with regard to eligible actions and costs. It takes into account the policy of all partners to simplify regulations and make actions as efficient and effective as possible. An important principle when constructing the catalogue was that the conditions and regulations are accountable and easy to control. Given that various Member States and regions are involved in this programme, the views and wishes of these partners have been integrated into the Catalogue of eligible costs. We have, however, attempted to make the catalogue as simple as possible, and easy to understand and apply.

The catalogue is only applicable to the Interreg V-A EMR Programme. For any comment or questions with regard to this document you can contact the Managing Authority in Maastricht, the Joint Secretariat in Eupen, or the Regional Antennas in your region.

The English text is to be regarded as the source text and decisive as the Catalogue of eligible costs approved by the Monitoring Committee. In the event of any differences of interpretation arising from any translation of this text into Dutch, German or French, the English text shall prevail and shall be binding.

The changes made in this version (Version 4, March 2020) apply from the start of the programme and replace the rules in previous versions of the catalogue unless specified otherwise in the catalogue. These changes mean that all fact sheets relating to the Catalogue of eligible costs are also cancelled.

MANAGING AUTHORITY INTERREG V-A EUREGIO MEUSE-RHINE MAASTRICHT

## 0. GENERAL PROVISIONS

### 0.1 LEGAL BASIS

The following articles represent the legal basis to be taken into account with regard to the eligibility of expenditure within the framework of the Structural Funds:

#### Regulation (EU) No 1303/2013:

- Article 61: Net revenues
- Article 65: Eligibility
- Article 67: Forms of grants and repayable assistance
- Article 68: Flat rate financing for indirect costs and staff costs concerning grants and repayable assistance
- Article 69: Specific eligibility rules for grants and repayable assistance
- Article 70: Eligibility of operations depending on location
- Article 71: Durability of operations
- Article 120: Determination of co-financing rates

#### Regulation (EU) No 1299/2013:

- Article 18: Rules on eligibility of expenditure
- Article 19: Staff costs
- Article 20: Eligibility of operations in cooperation programmes depending on location
- Article 28: Use of the euro

#### Delegated Regulation (EU) No 481/2014:

- Specific rules on eligibility of expenditure for cooperation programmes

#### Directive 2014/24/EU:

- Public procurement

This catalogue of eligible costs constitutes the document of reference for verification of all introduced costs and can be updated or completed throughout the programming period.

### 0.2 ELIGIBLE COSTS

This document establishes specific rules for the eligibility of costs for the Cooperation Programme Interreg V-A Euregio Meuse-Rhine with regard to the following costs:

- staff costs;
- office and administrative expenditure;
- travel and accommodation costs;
- external expertise and services costs;
- equipment expenditure;
- infrastructure costs.

Only costs that are categorised in the above cost types (defined in Sections 1 to 6) are eligible. All other items that are not listed are not eligible. These eligible costs must be necessary and adequate for implementation of the operation. The link with the project must be clear.

Costs must have been incurred between the start and end date of the project and must have been paid during the project period or at the latest three months after the end of the project.

The eligibility of introduced costs will be assessed by the first level controller within the framework of the payment claims on the basis of the rules set out in this document.

## 0.2.1 INTERNAL INVOICING

Costs paid on the basis of **internal invoices** (i.e. costs paid by one department to another department of the same organisation) for which the beneficiary cannot provide a bank statement are eligible provided that these costs are certified by a qualified independent controller (internal or external to the organisation).

### SUPPORTING DOCUMENTS TO BE PROVIDED

- **PAYMENT CERTIFICATE FROM AN INDEPENDENT QUALIFIED CONTROLLER OR DOCUMENTS WITH THE SAME PROBATIVE VALUE (IN CONSULTATION WITH THE FIRST LEVEL CONTROLLER)**
- **IN THE CASE OF INTERNAL INVOICING OF STAFF COSTS, THE RULES FOR REIMBURSEMENT OF STAFF COSTS APPLY (AS DEFINED IN § 1.4).**
- **SURCHARGES ON COSTS AS PART OF INTERNAL INVOICING ARE NOT ELIGIBLE**

## 0.2.2 CASH PAYMENTS

Cash payments are eligible up to a maximum of EUR 150. A copy of the cashbook must be provided as a supporting document.

## 0.2.3 SIMPLIFICATION

The programme will be implemented in accordance with the rules on simplification of implementation and handling laid down by the European Commission (EGESIF 14-007, "Guidance on Simplified Cost Options", September 2014). This applies in particular to the use of unit costs and "lump sums".

Where unit costs are concerned, these are dealt with in the relevant cost sections. The use of lump sums up to EUR 100.000 is permitted, provided that they are reported in the application and that they are substantiated as regards costs. Settlement of these is via the applicable rules.

## 0.3 NON-ELIGIBLE COSTS

The following costs are **not eligible**:

- fines, financial penalties and expenditure on legal disputes and litigation;
- costs of gifts, except those not exceeding EUR 50 per gift where related to promotion, communication, publicity or information;
- costs relating to fluctuation of foreign exchange rates;
- interest on debt;
- value added tax (VAT) except where it is non-recoverable under national VAT legislation. In that case, a valid VAT certificate must be provided as a supporting document;
- contributions in kind.

**All costs that are not paid or are recovered by the beneficiary are not eligible** and must be deducted before the introduction of the costs in a payment claim. Some examples are:

- aid;
- subsidies;
- tax reduction;
- revenues directly linked to project activities.

Information on the calculation of net revenues is given in Section 7.

## 1 STAFF COSTS

For the reimbursement of staff costs, two calculation methods can be applied:

- calculation on the basis of a standard system for calculating staff costs, i.e. the **standard hourly rate methodology**. Calculation using the standard hourly rate means that in line with the applicable European rules staff time must be recorded (see 1.2);
- calculation on the basis of a **flat rate on direct costs**. In this case the eligible staff costs will be calculated by multiplying the eligible direct cost by 20%.

This **simplified cost options method** offers increased legal certainty and a reduced administrative burden.

The full real costs are no longer the basis for reporting staff costs, financial control will only address the correct application of this methodology. Although beneficiaries may choose between the methods presented (with each partner making its own choice), the selected method will apply for the entire duration of the project and cannot be changed during the project.

### 1.1 CALCULATION OF A STANDARD HOURLY RATE

The calculation of a standard hourly rate may be different per region. The common element is that they all start from the same basis: **monthly gross salary**. This salary is indicated on the payslip of each employee is easy to find. The following rules should be considered:

- The **monthly gross salary** to be used is the one on the **January** pay slip for the calendar year in which activities are carried out. For employees who started later than January, the gross monthly salary for the **first full month after the employee started to work in the organisation** should be used.
- **Only the amount referred to under the header “gross salary” must be used.** No other salary costs may be included in the calculation. In calculating the standard hourly rate, the calculation method already takes account of other salary costs and the associated factor.
- In the case of a **part-time employment contract**, the calculation must take account of a part-time factor, i.e. the number of contractual working hours (the part-time employment) divided by the number of contractual hours in the case of full-time employment.
- If an individual has **several employment contracts**, the calculation base is the total gross monthly salary for all contracts together, unless the individual's work for the project is only linked to one specific employment contract.

Based on the **gross monthly salary**, the calculation of the standard hourly rate **per region** is as follows:

- Flanders: standard hourly rate =  $1.2 \div 100 \times \text{gross monthly salary} \div \text{part-time factor}$
- Netherlands: standard hourly rate =  $1.2 \div 100 \times \text{gross monthly salary} \div \text{part-time factor}$
- Germany: standard hourly rate =  $0.893 \div 100 \times \text{gross monthly salary} \div \text{part-time factor}$
- East Belgium: standard hourly rate =  $1.1 \div 100 \times \text{gross monthly salary} \div \text{part-time factor}$
- Wallonia: standard hourly rate =  $12 \times 1.72 \times \text{gross monthly salary} \div (1720 \times \text{part-time factor})$  (up to 30 June 2017)

standard hourly rate =  $1.2 \div 100 \times \text{gross monthly salary} \div \text{part-time factor}$  (from 1 July 2017)

The relevant hourly rates therefore apply to all project partners from the region concerned. The factors referred to in these formulas are designed to automatically take into account:

- a fair and reasonable share of any salary costs on top of the gross salary including taxes for employers;
- possible salary cost reductions for the employer/employee;
- all non-project hours such as holidays, sick leave, etc.

Given that the salary structure differs from one region to another, different factors have been chosen for this programme.

In addition, the following applies:

- Updating the standard hourly rate: The same hourly rate must be applied throughout the whole calendar year. The hourly rate can be updated at the beginning of the following calendar year.
- Maximum for hourly rates: It is assumed that an individual's gross monthly salary is linked to his or her qualifications for a job. The maximum eligible hourly rate is therefore EUR 100 per hour.

## 1.2 CALCULATION OF STAFF COSTS

The formula to calculate staff costs for each member of staff is the following:

$$\text{Staff costs} = \text{number of hours worked} \times \text{standard hourly rate}$$

- **Time registration:** only hours actually worked on the project need to be recorded.

For project partners from Flanders, the Netherlands and Germany, time registration is always required.

The following applies to project partners from Wallonia:

- Up to 30 June 2017: staff working on the project for only a portion of their contract hours are required to keep a record of their hours. For project partners from Wallonia, however, if a staff member works solely for the project, on either a part-time or full-time contract, a declaration from the relevant project partner is sufficient and time registration is not obligatory.
- From 1 July 2017, all employees are required to record their hours worked.

The following applies to project partners from East Belgium:

- Up to 31 May 2018: staff working on the project for only a portion of their contract hours are required to keep a record of their hours. For project partners from East Belgium, however, if a staff member works solely for the project, on either a part-time or full-time contract, a declaration from the relevant project partner is sufficient and time registration is not obligatory.
- From 1 June 2018, all employees are required to record their hours worked.

- Time registration is on a monthly basis and thus provides a monthly overview of the number of project hours and of the individual's number of contractual working hours per month. The project hours accounted for in eMS must correspond to these overviews.
- **Maximum number of working hours:** The maximum annual number of working hours for a full-time contract is 1720. For part-time contracts, the annual maximum number of hours is calculated by multiplying 1720 hours by the part-time factor (1720 hours × part-time factor). If a person does not work on the project for a full year, the maximum number of hours is calculated proportionately.

Exceptional project hours outside normal working days (weekends) can be reported according to the same logic as for other project hours; the same rules regarding the maximum number of working hours apply

- If employment contracts in Germany, East Belgium and Wallonia are subsidised, the aid must be deducted from the staff costs and the following rules apply:
  - The amount to be deducted is calculated by dividing the subsidy amount by the proportion of his/her hours that the employee works for the project.
  - Beneficiaries are requested to submit (with their first claim statement) a statement of the public finance received for each separate employee of the project.

Method of calculation for beneficiaries from Germany (example)

- Staff costs = (0.893 ÷ 100 × gross salary ÷ part-time factor) × number of hours worked for the project.)
- Aid = (subsidy amount ÷ monthly working hours) × number of hours worked for the project.
- Total staff costs to be reported: staff costs – aid

*Example*

The employee has a full-time contract (38 hours per week) and has been appointed for 50% of his/her working time for the project. Assuming that the employee worked 140 hours per month, he/she worked 70 of those 140 hours for the project in the course of this month.

Monthly gross salary of EUR 2 000 with a subsidy of EUR 500.

- Staff costs =  $(0.893 \div 100 \times \text{EUR } 2\,000 \div 1) \times 70 \text{ hours} = \text{EUR } 1\,250.20$
- Aid =  $(\text{EUR } 500 \div 140 \text{ hours}) \times 70 \text{ hours} = \text{EUR } 250$
- Staff costs – aid =  $\text{EUR } 1\,250.20 - \text{EUR } 250 = \text{EUR } 1\,000.20$

Total staff costs to be reported: EUR 1 000.20

Method of calculation for beneficiaries from Wallonia (example)

- Staff costs =  $(1.2 \div 100 \times \text{gross salary} \div \text{part-time factor}) \times \text{number of hours worked for the project.}$
- Aid =  $(\text{subsidy amount} \div \text{monthly working hours}) \times \text{number of hours worked of the project.}$
- Total staff costs to be reported: staff costs – aid

*Example*

The employee has a full-time contract (38 hours per week) and has been appointed for 50% of his/her working time for the project. Assuming that the employee worked 140 hours per month, he/she worked 70 of those 140 hours for the project in the course of this month.

Monthly gross salary of EUR 2.000 with an APE subsidy of EUR 500.

- Staff costs =  $(1.2 \div 100 \times \text{EUR } 2000 \div 1) \times 70 \text{ hours} = \text{EUR } 1\,680$
- Aid =  $(\text{EUR } 500 \div 140 \text{ hours}) \times 70 \text{ hours} = \text{EUR } 250$

Staff costs – aid =  $\text{EUR } 1\,680 - \text{EUR } 250 = \text{EUR } 1\,430$

Total staff costs to be reported: EUR 1 430

Method of calculation for beneficiaries from East Belgium (example)

- Staff costs =  $(1.1 \div 100 \times \text{gross salary} \div \text{part-time factor}) \times \text{number of hours worked for the project.}$
- Aid =  $(\text{subsidy amount} \div \text{monthly working hours}) \times \text{number of hours worked of the project.}$
- Total staff costs to be reported: staff costs – aid

*Example*

The employee has a full-time contract (38 hours per week) and has been appointed for 50% of his/her working time for the project. Assuming that the employee worked 140 hours per month, he/she worked 70 of those 140 hours for the project in the course of this month.

Monthly gross salary of EUR 2 000 with a subsidy of EUR 500.

- Staff costs =  $(1.1 \div 100 \times \text{EUR } 2000 \div 1) \times 70 \text{ hours} = \text{EUR } 1\,540$
- Aid =  $(\text{EUR } 500 \div 140 \text{ hours}) \times 70 \text{ hours} = \text{EUR } 250$

Staff costs – aid =  $\text{EUR } 1\,540 - \text{EUR } 250 = \text{EUR } 1\,290$

Total staff costs to be reported: EUR 1 290



## 1.3 PARTICULAR CATEGORIES OF STAFF COSTS

### 1.3.1 SECONDED STAFF

The salary costs for staff seconded by a third party to a beneficiary organisation in order to carry out project activities are eligible in the same way as the salary costs of regular staff, provided that the beneficiary pays the salary costs itself. Costs are calculated on the basis of the SHR method and not on the actual secondment cost.

A word of caution: Secondment can by no means be used to circumvent public procurement rules.

### 1.3.2 TEMPORARY/INTERIM EMPLOYMENT

Temporary or interim employment, i.e. staff that is hired through a temp/interim agency, is not eligible as a staff cost and should instead be reported under external experts/services.

### 1.3.3 OWNERS OF MICRO, SMALL AND MEDIUM SIZED ENTERPRISES

Staff costs for directors and major shareholders for whom no gross salary applies or may be established are eligible at a flat rate of EUR 40 per hour. If the director and major shareholder will receive a salary of his or her own company participating in the project, this gross salary is the basis for the calculation, but this cannot exceed the maximum hourly rate of EUR 100.

### 1.3.4 PHD SCHOLARSHIPS (WALLONIA)

Costs for PhD scholarships are only eligible if the costs are borne directly by the project partner. This rule applies only to Walloon beneficiaries. This type of costs is reimbursed on real-cost basis. The specific arrangements concerning the required supporting documents will be made in consultation with the managing authority.

## 1.4 REIMBURSEMENT OF STAFF COSTS

### SUPPORTING DOCUMENTS TO BE PROVIDED

- **Declaration of number of hours worked for project** in the eMS portal.
- **January pay slip** for each year in which the employee works on the project, or the first pay slip for a full month in service if the employee joined later (in the latter case, the later entry into service must be apparent from the pay slip or explicitly mentioned in the claim statement). Additional burden of proof for staff seconded from outside the partnership: secondment contract, invoice, and bookkeeping payment reference.

The payslip must include at least the following:

- name of employee;
- monthly gross salary;
- part-time factor or weekly time worked.

This is the minimum proof that must be added to the claim statement. As the underlying proof, overviews must be kept in the project records for each employee of the project partner concerned, showing the number of hours paid for that were worked for the project on a specific day. These overviews must also include the name of the project, of the project partner and of the employee. Therefore, a clear and verifiable hour registration (preferably conclusive) must be available. Timesheets must be dated and signed by the employee and the supervisor within a reasonable period of time. If the organisation uses a digital time registration system, no separate time registration needs to take place. The hours registered in the digital time registration system must be approved in time by the supervisor. The digital time registration system must meet the requirements of reliability, authenticity, integrity. Approved hours can no longer be changed.

The first level controller may permit a project partner, on an ad hoc basis, to use different underlying supporting documents in the project records for the projects in which that partner participates. The project partner must submit a prior application for this to the first level controller, supported by the necessary arguments and supporting documents.

## 2 OFFICE AND ADMINISTRATIVE EXPENDITURE

Office and administrative expenditure cover costs borne by the beneficiary organisation linked to the administration and implementation of the operation (indirect costs). In order to cover the general costs for office and administration that are not exclusive to the project, a **flat rate of 15%** of the total staff costs can be applied.

If an expenditure is exclusively linked to the project for which a subsidy is applied, these costs fall under one of the other sections (for example equipment or investments) and the rules for that cost category apply.

### 2.1 ELIGIBLE COSTS

Only the following cost items are included **in the 15% flat rate**:

- office rent;
- insurance and taxes relating to the buildings where the staff are located and to the equipment of the office (for example fire and theft insurance);
- utilities (for example electricity, heating, water);
- office supplies;
- general accounting provided inside the beneficiary organisation;
- archives
- maintenance, cleaning, and repairs;
- security;
- IT systems;
- communication (for example telephone, fax, internet, postal services, business cards);
- bank charges for opening and administering accounts where implementation of a specific operation requires a separate account to be opened;
- charges for transnational financial transactions.

All the cost items listed above are exclusively considered as indirect costs and cannot be introduced in another section.

### 2.2 REIMBURSEMENT OF OFFICE AND ADMINISTRATIVE EXPENDITURE

Compensation for forms of support under office and administrative expenditure (indirect costs) as listed in the definition above will be calculated by a flat rate of 15% of the eligible direct staff costs (Article 68(1)(b) of CPR 1303/2013). As this is a flat rate no proof of payment is required. A beneficiary may waive application of the office and administrative costs category. Using a lower percentage than 15% is not permitted. Consequently, the percentage is either 15% or 0% of the direct staff costs.

### 3 TRAVEL AND ACCOMMODATION COSTS

For projects starting from Call 6:  
The travel and accommodation costs are fixed as a flat rate of 1.5% of the staff costs.

For all other projects, the specific rules outlined below apply.

Travel and accommodation costs must be directly related to and essential for the operation. The link with the project must be clearly motivated. Furthermore, given that the programme promotes sustainability, beneficiaries must use public transport as much as possible or travel by bicycle and may only drive if travel by public transport is not reasonably possible.

As of January 2019, specific rules apply for long distance journeys (travel distances of more than 300 km for a single trip)

- **For expenses related to travels of more than 300 km**
  - All rules stated under point 3.1 of the catalogue apply.
  - Long distance journeys (travel distances of more than 300 km for a single trip) must be notified in advance to the JS project manager for authorisation. A template is available on the programme website.
  - For the justification of expenses related to such long distance journeys, all relevant documents (e.g. agenda, registration documents, lists of meeting participants, tickets, etc.) must be submitted with the cost declaration in the digital portal of the programme (eMS).
- **For expenses related to travels of less than 300 km**
  - All rules stated under point 3.1 of the catalogue apply.
  - Supporting documents (e.g. emails, agenda, minutes, etc.) must be kept in the project administration, they do not have to be uploaded in the list of expenditure of the partner report.

#### 3.1 ELIGIBLE COSTS

Only the following items are eligible as travel and accommodation costs:

##### 3.1.1 TRAVEL COSTS, INCLUDING TRAVEL INSURANCE AND VISA COSTS

###### 3.1.1.1 COSTS RELATED TO TRAVEL BY CAR

Car costs are eligible at a flat rate of EUR 0.35 per km for partners from Flanders, Wallonia, the Netherlands, and East Belgium and EUR 0.30 per km for partners from Germany. To report these costs, the project partner has to indicate the departure and destination place and the amount of kilometres.

Parking costs are also eligible.

#### SUPPORTING DOCUMENTS for parking costs:

- Parking ticket;
- Proof of payment (e.g. documents proving reimbursement by the employer to the employee.)

###### 3.1.1.2 COSTS RELATED TO TRAVEL BY OTHER MEANS OF TRANSPORT

Costs of travel by means of transport other than car are eligible under the following conditions:

- Tickets must be second class or economy class;
- First class tickets are only eligible if the paid price is lower than a second class ticket (promotional offer, etc.). The price comparison must be documented.

#### SUPPORTING DOCUMENTS TO BE PROVIDED

- Transport ticket;
- Proof of payment (e.g. documents proving reimbursement by the employer to the employee.)

### 3.1.2 COSTS OF MEALS AND ACCOMMODATION

Expenses for meals and accommodation are eligible only if they are necessary for the event, i.e. if the activity is spread over several days, if the return journey (i.e. there and back) is more expensive than the stay, or if this is justified by the duty roster.

For business travel lasting more than one day and involving at least one overnight stay in a hotel, the costs will be reimbursed on the basis of the price of the evening meal and the price of the overnight stay in the hotel (breakfast included). The total reimbursement will be limited to EUR 200 per night on the basis of the supporting documents submitted.

For business travel lasting one day without hotel accommodation, only the travel costs are eligible; the cost of meals will therefore not be reimbursed.

German partners are subjected to the rules of the Landesreisekostengesetz (LRKG) NRW and Rheinland-Pfalz.

#### SUPPORTING DOCUMENTS TO BE PROVIDED

- Invoice or ticket;
- Proof of payment (e.g. documents proving reimbursement by the employer to the employee.)

### 3.2 NON-ELIGIBLE COSTS

- All travel and accommodation costs as part of an assignment to an external party and forming part of that assignment are excluded from this section but are included under costs for external expertise and services.
- Fuel costs are not eligible as transportation costs. They are part of the kilometre rate.
- Taxi costs are not eligible.
- Daily allowances

## 4 EXTERNAL EXPERTISE AND SERVICES COSTS

### 4.1 ELIGIBLE COSTS

Expenditure for external expertise and services costs comprise the following professional services and expertise provided by a public or private law body or a natural person other than the beneficiary or beneficiaries of the same project, except in the case of an internal invoice, where 0.2.1 applies.

- studies or surveys (for example evaluations, strategies, draft memoranda, design plans, handbooks);
- training;
- translations;
- IT systems and website development, modifications, and updates;
- promotion, communication, publicity, or information linked to an operation or to a cooperation programme as such;
- financial management;
- services relating to the organisation and implementation of events or meetings (including rent, catering, or interpretation);
- participation in events (for example registration costs);
- legal consultancy fees, notarial fees, cost of technical and financial experts, other consultancy fees and accountancy fees;
- costs relating to intellectual property rights;
- costs for control concerning verifications as referred to in Article 125(4)(a) of Regulation (EU) No 1303/2013 and Article 23(4) of Regulation (EU) No 1299/2013;
- certification and audits at programme level in the framework of Articles 126 and 127 of Regulation (EU) No 1303/2013;
- costs of guarantees provided by a bank or other financial institution where required by EU or national law or in a programming document adopted by the monitoring committee;
- travel and accommodation costs relating to external experts, speakers, chairpersons of meetings, and service providers;
- other specific expertise needed for the operations.

The costs for external expertise also include the obligatory payment of the first level control unit of the programme for First Level Control (financial management). These costs are mandatory for all project partners and may not exceed 2% of the total project costs. No public invitation to tender is required or planned for this hiring.

The hiring of services must comply with EU directives as well as national provisions regarding public procurement.

#### SUPPORTING DOCUMENTS TO BE PROVIDED

- **Contracts or written agreement;**
- **Invoices;**
- If necessary, **evidence documenting the procedure** leading up to the award of the contract: announcement, selection, award;
- **Proof of payment between organisations** or documents of equivalent probative value.

### 4.2 NON-ELIGIBLE COSTS

The following costs are not eligible:

- fines;
- financial penalties;
- expenditure on legal disputes;
- litigation.

## 5 EQUIPMENT EXPENDITURE

### 5.1 GENERAL PROVISIONS

These costs must be necessary and adequate for implementation of the operation. The link with the project must be motivated. Both new equipment as well as second-hand equipment is eligible, taking into account the specific rules for this cost category. Both investment (on the basis of depreciation costs) and exploitation are considered eligible. The adequacy of the costs will be estimated by the first level controller.

#### 5.1.1 SECOND-HAND EQUIPMENT

Second-hand equipment is only eligible subject to the following conditions:

- it has not received other assistance from the European funds or any other public finance;
- its price shall not exceed the costs generally accepted on the market in question;
- it shall have the technical characteristics necessary for the operation and comply with applicable norms and standards.

#### 5.1.2 RULES ON DEPRECIATION

For equipment with a lifetime/depreciation period of more than 3 years only a part of the purchase value is eligible. The depreciation period for this equipment must be based on the national rules of depreciation applicable to the beneficiary taking into account normal use of the equipment.

- **If the equipment is purchased and used at 100% for the project**, only the depreciation costs relating to the duration of use of the equipment in the project will be eligible. For example: a machine with a depreciation period of 10 years used in a project that lasts 3 years; only 3/10 of the purchase value will be eligible.
- **If the equipment is partially purchased and used for the project**, only the effective depreciation costs relating to the use of the equipment for the project will be eligible. The effective depreciation costs can be calculated by taking into account :
  - **The depreciation costs relating to the duration of the project**  
*Ratio between the lifetime of the equipment (depreciation period) and the duration of use in the project.*
  - **The proportion of use for the project**  
*Ratio between total use time and time used for the project*  
For example: a machine with a depreciation period of 10 years used for 30% for the project during 3 years; only 30% of 3/10 of the purchase value will be eligible.

In calculating the depreciation costs the residue value of the equipment should be taken into account. Operating costs relating to the equipment such as insurance, maintenance, cleaning, energy, etc. are also only eligible during the use of the equipment for the project.

#### 5.1.3 RESELLING OF REIMBURSED GOODS

Resale of property acquired and reimbursed during the programme period (namely until 31 December 2023, see Article 65 of Regulation EU No 1303/2013) is only permitted with approval from the project support committee (COMAC) and is considered as a revenue.

#### 5.1.4 LEASING

Equipment leasing is eligible for aid.

##### Operating lease

In the case of an operating lease, assets are in fact rented. The emphasis is on the possibility of using an item for a certain period of time. Where assets are concerned, the lease therefore provides for the temporary need for those assets. Operating leasing is therefore like renting. Leasing cars is a good example of an operating lease. The risk regarding maintenance etc. is borne entirely by the lease company. The assets are therefore not included in your balance sheet and the lease payments are accounted for entirely as costs in your annual financial statements. These operating lease costs are basically eligible and fall under "external costs". You do, however, need an invoice or a document of equivalent probative value. These costs are not viewed as depreciation costs. If the assets are only partly used for the project, they should be allocated to the project on a pro rata basis.

## Financial lease

In the case of a financial lease, the risk regarding maintenance etc. is borne entirely by you. This is often reflected in the term of the lease and the lease payments in relation to the cost of acquisition of the assets. Furthermore, you can take over the assets at a certain value at the end of the contract period. In the case of a financial lease, the assets are shown as an asset on your balance sheet and depreciated. The value of the lease is entered on the balance sheet as a loan.

In these cases, the same rules apply that are described under “depreciation” (see Sections 5 and 6 of this Catalogue of eligible costs). The lease payments cannot be shown as costs because they are no more than repayments on the loan and partly interest charges for the actual financing. The repayments and the interest are not eligible, but the depreciation costs are. When acquiring assets, you should explicitly state in the application form what exactly is involved, so that it is sufficiently clear in advance which method forms the basis for including the costs in the project.

If you have any questions or doubts about leasing or the eligibility of costs, we advise you to contact your project manager in good time.

## 5.2 ELIGIBLE COSTS

Expenditure and investment costs for equipment purchased, rented, or leased by the beneficiary and which is solely and specifically necessary for the eligible operation – other than indirect costs (Section 2) – comprise the following:

- office equipment;
- IT (Hardware and software);
- furniture and fittings;
- laboratory equipment;
- machines and instruments;
- tools or devices;
- vehicles;
- other specific equipment needed for operations.

The cost of purchasing second-hand equipment may be eligible subject to the following conditions:

- it has not received other assistance from the ESIF funds;
- its price does not exceed the generally accepted market price for such equipment;
- it has technical features necessary for the operation and complies with applicable norms and standards.

The above list is exhaustive.

### SUPPORTING DOCUMENTS TO BE PROVIDED

- **Contracts or written agreements;**
- **Invoices;**
- Where appropriate, **evidence documenting the procedure** leading to the award of a contract for supplying equipment: announcement, selection, award;
- **Proof of payment between organisations** or documents of equivalent probative value.
- **Evidence that the equipment concerned is exclusively and explicitly necessary for the project and is not included under indirect costs.**

## 6 INFRASTRUCTURE

### 6.1 GENERAL PROVISIONS

These costs must be necessary and adequate for implementation of the operation. The link with the project must be motivated.

Investments in infrastructure comprise expenditure for financing infrastructure and construction works which do not fall within the five cost categories defined in Article 18 of the ETC Regulation (EC) No 1299/2013 (staff costs, office and administrative costs, travel and accommodation costs, costs of external expertise and services, and equipment costs).

Infrastructure costs are basically eligible, subject to the above rules. Two methods can be chosen for financing eligible costs:

- For investments amounting to a total of EUR 2,000,000 or less, a choice can be made to submit the total amount or amounts based on depreciation;
- For investments amounting to a total of more than EUR 2,000,000 only depreciation costs can be charged. The depreciation rules are worked out below.

#### 6.1.1 RULES ON DEPRECIATION

The depreciation period for infrastructure must be based on the **national rules on depreciation** applicable to the beneficiary.

- **If the infrastructure is purchased and used at 100% for the project**, only the depreciation costs relating to the duration of use of the infrastructure in the project will be eligible. For example: a building with a depreciation period of 30 years used in a project that lasts 3 years; only 3/30 of the purchase value will be eligible.
- **If the infrastructure is partially purchased and used for the project**, only the effective depreciation costs relating to the use of the infrastructure for the project will be eligible. The effective depreciation costs can be calculated by taking into account :
  - **The depreciation costs relating to the duration of the project**  
*Ratio between the lifetime of the equipment (depreciation period) and the duration of use in the project.*
  - **The proportion of use for the project**  
*Ratio between total use time and time used for the project*  
For example: a building with a depreciation period of 30 years used at 30% for the project during 3 years; only 30% of 3/30 of the purchase value will be eligible.

In calculating the depreciation costs the residue value of the infrastructure or investment should be taken into account. Operating costs relating to the investment – such as insurance, maintenance, cleaning, energy, etc. – are also only eligible during use of the investment for the project.

### 6.2 ELIGIBLE COSTS

The purchase of land (built on or not built on) is eligible up to a maximum of 10% of the total eligible expenditure for the project concerned. In the case of industrial sites and former industrial sites with buildings, that percentage can be increased to 15%. In properly substantiated exceptional cases, the percentage may be increased further if the purchase serves to protect the environment. Building work and alteration work are also eligible.

### 6.3 NON-ELIGIBLE COSTS

Investments that have already been financed by public funds are not eligible.



## 7 NET REVENUES

In order to determine an adequate ERDF rate, and to prevent the over-financing of project partners, due account must be taken of possible net revenues, so that the ERDF contribution per project partner is aligned with the gross self-financing margin of the project activity of that partner.

Revenue generating projects are projects which generate net revenue during their implementation and/or after their completion.

Net revenue means cash in-flows directly paid by users for the goods or services provided by the operation, such as charges borne directly by users for the use of infrastructure, sale or rent of land or buildings, or payments for services, less any operating costs and replacement costs of short-life equipment incurred during the corresponding period. Operating cost-savings generated by the operation shall be treated as net revenue unless they are offset by an equal reduction in operating subsidies.

The flow of money from public contributions and funding (co-financing) or private financing by the beneficiary itself shall not be considered as revenue.

Any payment received by the beneficiary arising from contractual penalties as a result of a breach of contract between the beneficiary and a third party or third parties or that has occurred as a result of the withdrawal of an offer by a third party chosen under public procurement rules (the "deposit") shall not be considered as revenue.

Where not all the investment cost is eligible for co-financing, the net revenue shall be allocated pro rata to the eligible and non-eligible parts of the investment cost.