Annex 1

FLC CHECKLIST

1. Beneficiary Information

Partner report	
INTERREG V-A Romania-Hungary Programme	
Project title	*<Filled-in automatic in EMS>*
Project acronym	*<Filled-in automatic in EMS>*
Project ID (eMS)	*<Filled-in automatic in EMS>*
Name of Lead Beneficiary (if different from controlled entity)	*<Filled-in automatic in EMS>*
Reporting period	*<Filled-in automatic in EMS>*

Beneficiary	
Name of controlled project beneficiary	*<Filled-in automatic in EMS>*
Date of beneficiary request[1]	*DD.MM.YYYY <Filled-in automatic in EMS>*
Beneficiary role in the project *(Lead beneficiary, Project beneficiary)*	*<Filled-in automatic in EMS>*

Accounting System		
The project beneficiary uses for accounting purposes	☐ a separate accounting system	☐ an adequate accounting code
Double-financing is excluded by (with the exception of reported flat rate costs):	*e.g., invoices are stamped, marked; on-the-spot inspection of originals, etc. (Pre-filled from previous report and updated if changed)*	

VAT				
The beneficiary organisation has the right to recover VAT. *Please provide comments if 'partially' is ticked.*	yes ☐	partially ☐	no ☐	*Comments:*

Format of documents			
Documents were made available to FLC in the following format (tick all that apply) (multiple selection possible)	☐ originals	☐ copy	☐ electronic

[1] *Date of submission of the Partner Report (PR) into eMS (provided by eMS).*

2. Audit Trail Checklist

General considerations / eligibility criteria	Accepted			Comments[2]
	Yes	Not (fully)	n.a.	
The list of expenditure is available for the reporting period from the beneficiary.	☐	☐	☐	
Costs are directly related to the project and necessary for the development or implementation of the project.	☐	☐	☐	
Costs are correctly allocated to the relevant budget lines.	☐	☐	☐	
Costs are declared only once.[3]	☐	☐	☐	*e.g. Verified that expenditures have not been declared twice in different budget lines or in previous reporting periods.*
Expenditure was incurred and paid within the eligibility period of the project[4], (except the reported flat rates) [according to Art 67(1)(a) of Reg. (EU) No 1303/2013]	☐	☐	☐	
Expenditure is supported by invoices or documents of equivalent probative value, which are correct in content and accounting terms. (except the reported flat rates)	☐	☐	☐	
Expenditure is supported by a proof of payment (bank account statements, bank transfer confirmations, cash receipts, etc.). (except the reported flat rates)	☐	☐	☐	
Ineligible costs according to Art. 69(3) (a+b) of Reg. (EU) No 1303/2013 and Art 2(2) of Delegated Reg. (EU) No 481/2014 are not included.	☐	☐	☐	
Recoverable VAT was deducted.	☐	☐	☐	
Expenditure was incurred within the eligible programme area[5].	☐	☐	☐	
The part of the expenditure incurred outside (the Union part of) the programme area and is eligible according to Art 20(2)(3) of Reg. (EU) No 1299/2013] and programme rules.	☐	☐	☐	*e.g. Verified that these costs are limited to maximum 10% of the support from ERDF at project level, are in line with the approved Guide of Applicants and are necessary for the implementation of the project*

[2] General comments, recommendations, points to follow-up; deductions (if any) are allocated to the relevant budget lines.
[3] Excepted reported flat rate.
[4] According to PIM, chapter 5.2.
[5] The exception is described in Guide of Applicants, *Annex III-Programme general rules on eligibility of expenditure*.

	☐	☐	☐	
The co-financed products and services were delivered.	☐	☐	☐	
There are modifications of the Subsidy Contract (addenda/notifications)[6]	☐	☐		
The beneficiary total budget and budget per budget line was respected.	☐	☐	☐	
Net revenue has been deducted from the total eligible expenditure.	☐	☐	☐	
There are deficiencies in the Partner report (audit trail regarding the deficiencies in the Partner report)	☐	☐	☐	*If the answer is YES, the controller will mention the number/date of the clarification letter/s and the date of beneficiary answer/s.*

3. On-the-spot verifications[7]

On-the-spot verifications	**Accepted**			**Comments[8]**
	Yes	**Not (fully)**	**n.a.**	
Documents submitted match the originals.	☐	☐	☐	
Documents are available at the premises of beneficiary.	☐	☐	☐	

4. Preparation Costs

Preparation Costs	**Accepted**			**Comments[9]**
	Yes	**Not (fully)**	**n.a.**	
Expenditure declared respects the programmes rules on preparation costs.	☐	☐	☐	
Expenditure declared respects the programme rules on acquisition.	☐	☐	☐	

5. Eligibility along Budget Lines

5.1.Staff Costs

Criteria – Real Costs	**Yes**	**Not**	**n.a.**	**Comments[10]**

[6] The controllers will mention if there are any changes to the financing contract (notifications and/or addenda) in the respective period.
[7] For more details each FLC Unit will use own template for on-the-spot check Report. The On-the-spot check Report will be uploaded into eMS.
[8] General comments, recommendations, points to follow-up; deductions (if any) are allocated to the relevant budget lines.
[9] General comments, recommendations, points to follow-up; deductions (if any) are allocated to the relevant budget lines.

		(fully)		
Persons that declared staff costs are employees of the project beneficiary or work under a contract considered as an employment contract.	☐	☐	☐	
Written agreements exist outlining work for the project.	☐	☐	☐	
Staff costs are based on gross remuneration and other eligible components.	☐	☐	☐	
Staff cost are calculated correctly.	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	

Criteria – Real Costs – Part Time	**Accepted**			**Comments**[11]
	Yes	**Not (fully)**	**n.a.**	
The calculation method is in line with programme rules.	☐	☐	☐	
Fixed percentage of gross employment cost is in line with fixed percentage of time worked on the project. ***(in case of <u>fixed percentage of time worked per month</u>)***	☐	☐	☐	
The number of hours worked on the project is documented in a time Registration system. ***(in case of <u>flexible shares</u> varying from one month to the other OR <u>hourly rates</u>)***	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	

5.2.Office and Administration

Office and Administration – Flat rates (15%)	**Accepted**			**Comments**
	Yes	**Not (fully)**	**n.a.**	
The flat rate is in line with EU and programme rules and does not exceed the	☐	☐	☐	

[10] For each ineligible / deducted cost item: clear identification of the ineligible cost item, i.e. unique accounting number/invoice OR indicate where this information can be found (e.g., in the database, the list of expenditures, etc.) For all ineligible / deducted costs: clear specification of how much was deducted and reason why it was deducted OR indicate where this information can be found. Any issues and observation and concerns even if no deductions were made.

[11] For each ineligible / deducted cost item: clear identification of the ineligible cost item, i.e. unique accounting number/invoice OR indicate where this information can be found (e.g., in the database, the list of expenditures, etc.) For all ineligible / deducted costs: clear specification of how much was deducted and reason why it was deducted OR indicate where this information can be found. Any issues and observation and concerns even if no deductions were made.

limit set in Art 68(1) of Reg. (EU) No 1303/2013.				
There is no double declaration of the same costs item in other budget lines.	☐	☐	☐	*e.g. Verified that no cost items listed in Art. 4 of Delegated Reg. (EU) No 481/2014 have been included in other budget lines.*

5.3.Travel and Accommodation

Criteria – Real Costs	**Accepted**			**Comments**[12]
	Yes	**Not (fully)**	**n.a.**	
Travel and accommodation costs relate to staff of the beneficiary organisation or natural persons working under work contracts considered as employment contracts of the beneficiary organisation	☐	☐	☐	
Costs are in line with applicable EU, programme and national rules[13].	☐	☐	☐	
Travels outside the (union part of) programme area follow rules outlined in Art 20(3) of Reg. (EU) No 1299/2013 and programme rules.	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	

5.4.External Expertise and Services

External expertise and services were acquired in this reporting period	☐ Yes	☐ No
(if yes) Refer to Section 6 for verifying public procurements		

Criteria – Real Costs	**Accepted**			**Comments**[14]
	Yes	**Not (fully)**	**n.a.**	
Providers of services or expertise are external to the project partnership.	☐	☐	☐	
The types of costs listed under the budget line are eligible according to EU and programme rules.	☐	☐	☐	
Invoices or documents of equivalent probative value are in line with the contract(s) – or where applicable- with the selected offer- in terms of amount and	☐	☐	☐	*<the controllers will verify, if the case, the correctness of the advance payment (according to the service contract and national law)>*

[12] Idem.

[13] If the project beneficiary reported travel and accomodation costs in accordance with other rules than those mentioned above, controllers are entitled to verify internal rules of the beneficiary organisation.

[14] For each ineligible / deducted cost item: clear identification of the ineligible cost item, i.e. unique accounting number/invoice OR indicate where this information can be found (e.g., in the database, the list of expenditures, etc.)
For all ineligible / deducted costs: clear specification of how much was deducted and reason why it was deducted OR indicate where this information can be found. Any issues and observation and concerns even if no deductions were made.

nature.				
The share allocated to the project is plausible, i.e. calculated according to a fair, equitable and verifiable method. ***(In case of experts or services that are NOT exclusively used for the project)***	☐	☐	☐	
Deliverables or other evidence of the work carried out by the provider are available.	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	
Visibility rules were respected.	☐	☐	☐	

5.5.Equipment

New equipment is reported	☐ Yes	☐ No
(if yes) Refer to Section 6 for verifying public procurements		

Criteria – Real Costs	**Accepted**			**Comments**[15]
	Yes	**Not (fully)**	**n.a.**	
The types of costs listed under the budget line are eligible according to EU and programme rules.	☐	☐	☐	
Invoices or documents of equivalent probative value are in line with the contract(s) or – were applicable- the selected offer in terms of amount and nature.	☐	☐	☐	*<the controllers will verify, if the case, the correctness of the advance payment (according to the service contract and national law)>*
Equipment is new, available, physically exists.	☐	☐	☐	
Equipment is used for the intended project purpose.	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	
Visibility rules were respected.	☐	☐	☐	

5.6.Infrastructure and works

Infrastructure and works is/are reported	☐ Yes	☐ No
(if yes) Refer to Section 6 for verifying public procurements		

Criteria – Real cost	**Accepted**	**Comments**[16]

[15] Idem.

[16] For each ineligible / deducted cost item: clear identification of the ineligible cost item, i.e. unique accounting number/invoice OR indicate where this information can be found (e.g., in the database, the list of expenditures, etc.)

	Yes	Not (fully)	n.a.	
The types of costs listed under the budget line are eligible according to EU and programme rules.	☐	☐	☐	
Providers of infrastructure and works are external to the project partnership.	☐	☐	☐	
Invoices or documents of equivalent probative value are in line with the contract(s) or – were applicable- the selected offer in terms of amount and nature.	☐	☐	☐	*<the controllers will verify, if the case, the correctness of the advance payment (according to the service contract and national law)>*
Infrastructure and works exists or evidence of work in progress is available.	☐	☐	☐	
Justifying documents are attached and acceptable.	☐	☐	☐	
Visibility rules were respected	☐	☐	☐	

6. Compliance with public procurement rules[17]

Criteria – Real cost[18] [according to national and – if applicable - programme, regional and internal public procurement rules and – above the EU threshold for public procurement - national implementations of Directives No. 2014/24/EU and 2014/25/EU as of 18 April 2016[19]]**.**	**Accepted**			**Comments**
	Yes	**Not (fully)**	**n.a.**	
<u>Documentation of procurement</u> Full documentation of the procurement procedure is available (In case documentation is not required, please tick *n.a.* and provide an explanation in the comments section to the right).	☐	☐	☐	

7. Compliance with information and publicity requirements

Criteria	**Accepted**			**Comments**
	Yes	**Not**	**n.a.**	

For all ineligible / deducted costs: clear specification of how much was deducted and reason why it was deducted OR indicate where this information can be found. Any issues and observation and concerns even if no deductions were made.

[17] Each FLC Unit will use own check-lists which will be uploaded into eMS.

[18] For each service/equipment/work contract with a net value exceeding 2,500 Euro the controllers completed the adequate check-lists according with FLC RO or FLC HU Procedures.

[19] Above EU threshold national transformation of Directive No. 2014/24/EU **(**on public works, supply and service contracts) and of Directive No. 2014/25/EU ('Sector Directive') apply as of 18 April 2016**.**

[according to Annex XII of Reg. (EU) No 1303/2013]		**(fully)**		
Information and publicity rules of the EU and the programme were complied with.[20]	☐	☐	☐	
A temporary billboard of a significant size, readily visible to the public has been installed. ***(In case of projects exceeding a total public contribution of 500.000 Euro and consisting of the financing of infrastructure or construction projects)***	☐	☐	☐	
At least one poster with information about the project (minimum size A3), including the financial support from the Union at a location readily visible to the public, such as the entrance area of the building. ***(In case of projects not falling under the specification above)***	☐	☐	☐	

8. Compliance with other EU rules

Criteria	**Accepted**			**Comments[21]**
	Yes	**Not (fully)**	**n.a.**	
There is no evidence that the project activities do not comply with the EU horizontal objectives of sustainable development. [according to Articles 4 and 8 of Reg. (EU) No 1303/2013]	☐	☐	☐	*e.g. Compared the partner report does not raise any relevant issues.*
There is no evidence that equipment purchased does not comply with EU and national legislation in terms of environmental impacts, required permits, etc.	☐	☐	☐	*e.g. Compared the partner report does not raise any relevant issues.*
There is no evidence that infrastructure and works do not comply with EU and national legislation in terms of environmental impacts, required permits, etc.	☐	☐	☐	*e.g. Compared the partner report does not raise any relevant issues.*

[20] All publicity materials and web side are monitored by the Joint Secretariat in terms of publicity requirements, content and regular updates.

[21] FLC is asked here for a professional judgement as a controller based on experience and training, but not for an expertise of EU policies on sustainable development, equal opportunities and non-discrimination, equality between men and women, or state aid. FLC is asked to confirm that you have not come across anything that made you doubt that the EU horizontal principles are not adhered to.

There is no evidence that the project activities do not comply with the EU horizontal objectives of equality between men and women and non-discrimination. [according to Articles 4 and 7 of Reg. (EU) No 1303/2013]	☐	☐	☐	*e.g. Compared the partner report does not raise any relevant issues.*
There is no evidence that the project activities do not comply with Community rules on State aid. [according to Article 6 of Reg. (EU) No 1303/2013]	☐	☐	☐	*e.g. Compared the partner report to the approved Application Form (AF) and verified that activities are in line with AF and do not raise any new issues.* *e.g. Verified that the beneficiary complies with any terms for State Aid set out in the Subsidy Contract.*