

## Document Information

### 1. Document Details

<b>Title:</b>	ERDF Claim Process
<b>Author(s):</b>	Financial Accountant's Office
<b>Version No:</b>	2
<b>Status:</b>	Final

**Important Note:** If the 'Status' of this document reads 'Draft', it has not been finalised and should not be relied upon.

### 2. Revision History

Version	Revision Date	Summary of Changes	Changes tracked?
1	27 May 2015	Addition of section relating to irregularities, reporting of errors, systemic error procedure	Yes
2			
3			

### 3. Relevant Existing/Related Documents

ERDF Procedures
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### 4. Consultation History

**This document has been prepared in consultation with the following bodies:**

None
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### 5. Approvals

**This document requires following approvals (in order where applicable):**

Name	Date	Details of Approval Required
Finance Manager	Sept 2015	Review & Approval by Finance Manager

# ERDF Claim Process

## Introduction

The European Regional Development Fund is one of three Structural Funds of the EU. The other two being the European Social Fund (ESF) and Cohesion Fund as outlined in the EU Cohesion Policy 2007-2013. A number of government programmes in the National Development Plan 2007-2013 are co-funded by the EU and there is a requirement to acknowledge this funding.

Under the 2000-2006 plan, the NDP Logo and EU Structural Funds Logos were both required. In the 2007-2013 plan the “Ireland Structural Funds Programmes” logo and the EU Structural Funds logos are required on publications, publicity materials, plaques, temporary billboards etc.



Under Ireland's European Structural and Investment Funds Programme 2014-2020, Ireland's ESIF and ERDF logo as well as the relevant State Agency logo should be shown on publications, publicity materials, plaques, temporary billboards etc. to acknowledge funding source.



There are significant financial penalties for not complying with the publicity requirements.

## Claim Process

Typically the Institute does not claim funds directly from the EU. Funding is distributed to the Institute through a number of existing programmes. Examples include the PRTLTI funding from the HEA and the Applied Research Enhancement and Innovation Partnership funding from Enterprise Ireland. The Institute claims the funds from these agencies in compliance with the eligible funding rules of the respective programmes.

The EDRF Claim is not a financial claim to draw down funds from these agencies, rather a statement of ERDF eligible expenditure in the period to allow these agencies report this expenditure up the cascade structure and ultimately allow the government to claim eligible structural funding from the EU.

It should be noted that the eligibility criteria for the funding programme and the ERDF eligibility criteria are not always the same and some expenditure legitimately claimed from the funding agency maybe not form part of the subsequent ERDF claim. In addition ERDF claim must consist of expenditure actually paid in the claim period.

### Common Issues

The main issue relating to ERDF claims is the amount of time taken to correctly compile a claim. It involves checking existing expenditure against a different set of edibility criteria, checking the all expenditure is actually paid within the period, calculating depreciation on assets for the period as opposed to the full cost and ensuring that the publicity requirements have been met.

### Roles & Responsibilities

The following chart outlines the process of submitting, verifying and internal audit checking (where applicable) a B1 Claim and the roles and responsibilities are detailed below:



#### Project Accountant

The Project Accountant will have a working knowledge of the projects include in the claim and will have access to each project file when dealing with the specific grant awarding agency. This includes holding information on contracts, letters of offer, financial claims and other queries.

The Project Accountant will run the ledger listing for each project for the relevant project as the base data. They will exclude expenditure based on ERDF ineligible costs and other Institute guidelines, costs not paid within the period, properly capture and calculate depreciation and ensure that backup documentation to support each item of eligible expenditure is available.

See ERDF B1 Checklist of Expenditure below

#### Financial Accountant

The Financial Accountant is not involved in preparing the B1 claim, but is responsible for verifying the claim and ensuring accuracy of the submitted B1. The Financial Accountant will review the finalised ledger listings for each project and will undertake the Article 13 checks. In addition the Financial Accountant will check that the combined project ledger total the claim and are recorded in the correct B1 claim.

### **Finance Manager**

The Finance Manager will carry out an Internal Audit check based on the information supplied to them by the Financial Accountant. The Finance Manager has no role in preparing or verifying the B1 claims and their role is to carry out an independent check that the backup documentation available to support the claim and that the claim has been properly prepared and verified in accordance with the ERDF Manual and externally supplied checklists.

### **Irregularities and Reporting of Errors**

The detection of irregularities and reporting of errors is performed on an ongoing basis by the Project Accountant during the preparation of the B1. The Project Accountant uses the ERDF B1 Checklist of Expenditure below to ensure that only eligible expenditure is included in each Claim. Any irregularities or errors noted are adjusted on the ledger listing to arrive at the ERDF eligible transaction amount. The Claim is then submitted for verification to the Financial Accountant.

In the event that any further errors are detected during the verification performed by the Financial Accountant or the Internal Audit performed by the Finance Manager, the ledger listing is adjusted prior to submission to the approval of B1 and notified to the funding agency if there is an impact to the Claim.

### **CIT ERDF B1 Checklist for Expenditure**

Claims normally relate to project expenditure. A ledger listing should be run for each project for the period in question, this will be required as a backup document. Adjustments should be made to the ledger listing showing all expenditure and providing a reasons for excluded costs (e.g. ineligible cost). The different categories of expenditure should be treated as follows:

#### ***Pay***

All pay costs are included. The last pay period is checked to ensure it is paid within the period.

#### ***Scholarships***

All scholarship costs are included, as the import into Agresso is after these have been paid, and all scholarships are paid by EFT, there is no requirement to check the payments date.

#### ***Travel***

All travel costs are included; claims for hospitality etc. are excluded as ineligible costs. The payments dates of claims in the last month of the claim period are checked. As all travel is paid by EFT claims prior to this do not need to be checked.

#### ***Stationary / Overheads***

All stationary, telephone, and other overhead costs are excluded from the claims as the sums are generally very minor and the cost to check the eligibility and payment dates exceed the

benefit. Whilst this may exclude some eligible costs, the sums involved are immaterial to the overall claim.

### **Consumables**

All consumable of value below €500 are excluded on the basis that the cost to check the eligibility and payment dates exceed the benefit. This can exclude a significant volume of transactions, but again, the sums involved are generally immaterial.

### **Consultancy**

All consultancy cost should be included. All amounts should be checked to ensure payment within the period.

### **Capital / Assets**

All capital or fixed asset items are included. A depreciation calculation based on the number of months the asset was present in the claim period over the life time of the asset (36 months for computer equipment or 60 months for all other equipment) is substituted for the asset cost.

By excluding a high volume of low value items, it ensures that the workload associated with preparing the claims is reduced while still ensuring that the majority of expenditure is included.

*Refer to the ERDF Procedures for Roles and Responsibilities, Records & Publicity, Core Principals of Expenditure, Categories of Eligible Cost and Non-eligible Expenditure.*

### **Submission of B1 Claims**

The Institute will submit the B1 Claim either by signed Paper Copy or electronically using the government EU Structural Funds system (EUSF) depending on where the Institute is placed on the Cascade Structure by the Funding Agencies.

An electronic submission by the Project Accountant, electronically verified by the Financial Accountant shall be considered equivalent to a signed original paper submission.

### **Publicity File**

It is the responsibility of the individual project manager to ensure that publicity requirements are in accordance with the regulations in force. A publicity folder should be maintained for each project in receipt of ERDF funds. The main publicity material will rest with the project manager, however the Project Accountant shall maintain a file on publicity including some examples of where it has been used or where corrective action has been taken to ensure publicity requirements are met. This may include for example copies of recruitment advertisements, screen shots of websites, copies of reports or publications and photographs of items.

The purpose of this file is to ensure that requirement is being met and to provide an audit record of the relevant Article 13 checks.

Plaques / Billboards

Where funding exceeds €500,000 a permanent plaque must be displayed acknowledging funding.

During implementation of an ERDF project, a temporary billboard of a significant size and at a location readily visible to the public should be displayed where funding exceeds €500,000.

No later than 3 months after the completion of a project, a permanent plaque or billboard of a significant size at a location readily visible to the public where:

- a) The total funding exceeds €500,000
  
- b) The funding relates to the purchase of a physical object or the financing of infrastructure or construction operations

Plaques or billboards shall state the name and the main objective of the project subject to the funding. Project managers should refer to the technical characteristics adopted by the Commission in Article 115(4) when preparing plaques or billboards.

**Approval**

This ERDF Claim Process has been approved by the Finance Manager on the date noted below.

  
\_\_\_\_\_  
Ms Ellen Crowley  
Finance Manager

  
\_\_\_\_\_  
Date