

EUROPEAN UNION INVESTMENT FOR GROWTH AND JOBS PROGRAMME 2014-2020 GUIDANCE BOOKLET

Who we are

Invest NI supports business development, helps to increase productivity and export levels, attract high quality inward investment, and stimulate a culture of entrepreneurship and innovation. In order to enable us to do this Invest NI utilises support from the European Regional Development Fund (ERDF).

We have placed customer focus at the heart of everything we do and how we do it and are committed to embedding our vision and values throughout the organisation.

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Introduction

This guidance booklet provides an overview of the European Regional Development Fund (ERDF) requirements. It is designed for use by Invest NI's customers in receipt of ERDF funding and Invest NI staff who are involved in the administration and delivery of ERDF projects.

The guidance provides details of all the eligible requirements from an ERDF perspective. It is important to note that organisations still have to comply with the specific requirements of the Invest NI scheme applied for, as varying schemes have different eligibility requirements. These can include additional processes to ensure State Aid compliance.

The EU Investment for Growth and Jobs Programme (EUIGJ) covers the period 2014-2020. It is important that customers who are in receipt of ERDF grant assistance, are aware and fully compliant with the European Commissions' requirements. Claimed expenditure eligible for ERDF support must be verifiable and fully compliant with all EC Regulations and National Law, to ensure financial penalties or losses due to the improper use or application of the support does not occur. Customers signing and agreeing to an Invest NI Letter of Offer supported by ERDF, are legally obliged to meet all ERDF requirements including publicity, audit and claim processes.

Background

EUIGJ commenced on 1st January 2014 and is co-financed at 60% by the European Regional Development Fund (ERDF), and 40% match funding is provided by the beneficiary. The Programme supports the EU regional strategy by promoting investment in Research and Technological Development and enhancing the competitiveness of SMEs. The total ERDF Programme support available to Invest NI for delivery is approximately €249M. The allocation is distributed across two priorities and support under the EUIGJ is mainly focused on Small to Medium sized Enterprises (SMEs). As a small regional economy within the United Kingdom, Northern Ireland businesses are predominately SMEs. The aim of the support provided under the EUIGJ is to assist businesses to grow and improve their productivity / capability, hence benefiting the sustainability of the business.

Invest NI is an Intermediate Body under the EUIGJ and approximately 85% of the overall Programme funds for Northern Ireland has been allocated for Invest NI activities.

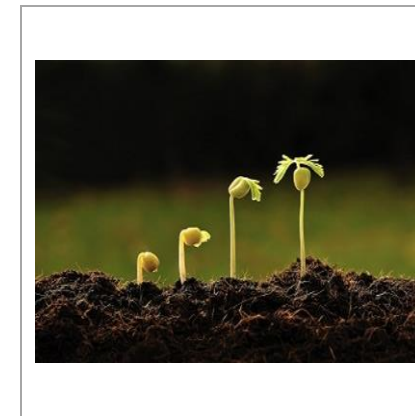
Overview of Priorities

Priority 1



Strengthening Research, Technical Innovation and Innovation through Research and Development (R&D) and Design Projects

Priority 2



Enhancing the Competitiveness of SME's through Selective Financial Assistance (SFA capital grants), Local Economic Development (LED, local councils) and Financial Instruments (FI)

Legislation and State Aid

Conditions for European Union funding are set out as regulations which must be complied with to ensure eligibility under the EUIGJ. The regulations can be found on the European Union website [European Law and Programme Guidance](#).

The key regulation for ERDF and specific guidance notes on the application of ERDF requirements in Northern Ireland can be downloaded from the EUIGJ Managing Authority website [DETI Managing Authority Guidance](#) and regulations link [EC Regulation and EC Implementing Regulation](#).

Please also see link on [deminimis regulations](#).

State Aid

One of the fundamental objectives of the EC Treaty is to create a single market in which competition is not distorted. If Member States were free to give subsidies, grants or other forms of favourable financial treatment to individual companies (or “undertakings”), there would be an inevitable risk that those “undertakings” would have an unfair advantage over competitors who do not benefit from State Aid.

To eliminate this risk, the EC Treaty in principle prohibits subsidies which distort competition and affect trade between Member States in the EU. State Aid is permitted only in limited circumstances where it can be shown to be necessary to achieve certain specified Community objectives.

This is essential to protect competition in markets, with all the economic advantages that competition brings. Subsidies can generally be seen as making payments that are “something for nothing”, whereas contractual payments for the delivery of public goods, works and services, which the market would not supply by itself, are seen as providing “something for something”. State Aid rules will apply to payments from the public purse for public services if there is a risk that some of the payment is a subsidy and that it might distort competition. **ALL Invest NI schemes must comply with State Aid Rules.**



Summary of Requirements

The retention period set by the Managing Authority for the purposes of the Programme, is ten years from the date of the original Letter of Offer to a Project. Note: this statement only relates to Programme document retention requirements and there may be other reasons for projects to retain documents beyond this date. In the event of termination or closure of the project/company for whatever reason, the documentation must be returned to Invest NI. In no circumstances should any of the project documentation be disposed of without the written permission of Invest NI and the Managing Authority.

Article 122 of The Common Provisions Regulation (CPR) 1303/2013 sets out the provisions of e-cohesion for European Structural Investment Funds (ESIF).

Member States shall ensure that no later than 31st December 2015, all exchanges of information between beneficiaries and a Managing Authority, Certifying Authority, Audit Authority and Intermediate Bodies can be carried out by means of electronic data exchange.

From 1st of January 2016, Invest NI must have the facility to permit beneficiaries of ERDF supported projects to submit all documentation electronically and only once SHOULD THE BENEFICIARY OPT TO DO SO FOR THE ENTIRETY OF THE PROJECT'S IMPLEMENTATION. This will include claims and all supporting documentation to them. Information will be included within Annexes of each Letter of Offer issued to Customers outlining requirements.

All audit requirements can be viewed on Fact Sheet 5.



Verification and Audit

Roles and Responsibilities

AUDIT AUTHORITY AND ARTICLE 127 CHECK (DETI)

The Audit Authority is designated by the Member State, and operates independently of the Managing Authority and Certifying Authority.

The main role of the Audit Authority is carrying out the annual Article 127 verification checks on a random sample of Programme funded projects. An Annual Control Report is compiled and forwarded to the European Commission. An error rate is calculated and this must be under the 2% tolerance level set by the EC if financial penalty is to be avoided. The report presented will detail the nature of errors detected and provide an opinion on the management and control systems, procedures and expenditure.

Article 127 Audits Sample

Every year a number of projects will be selected at random for an in-depth Article 127 inspection. The term Article 127 is defined in Article 127 of Commission Regulation (EU) No 1303/2013 and refers to the audit of a sample of projects. Not every project will receive an Article 127 check, however as stated in the terms and conditions of the Letter of Offer client companies must have all documentation ready for inspection whenever requested at the project premises. The only exception to this will be for projects that opted to fully use e-cohesion provisions as in this instance documentation will be viewed at Invest NI. However a site visit by the Audit Authority to the project will still be required to verify compliance on physical matters such as publicity and project /employee /asset existence. As the sample is randomly selected from the expenditure declarations presented to the EC during the preceding year, organisations could have their projects selected on a number of occasions during the EUIGJ funding period in accordance with the principle of proportional control stated in Article 148 of Commission Regulation EU 1303/2013 It is important to note that irregularities found during an Article 127 visit will result in funds being recovered by the European Commission directly from the ERDF grant. In these cases funds may be recovered from the individual organisation supported. A decision will be taken by Invest NI on a case by case basis. For further detailed information on the regulations please see attached link: [DFP/DETI Guidance](#).



Article 125 verification checks

Article 125 checklists are completed for all ERDF funded projects having at least one claim included in a drawdown of ERDF funds from the EU Commission.

Article 125 verification (Commission Regulation (EC) No 1303/2013) will check the project declared expenditure; that the project's products or services have been delivered in accordance with the Letter of Offer and that claims are correct; and that the project's operations and expenditure comply with European Commission (EC) and National Rules. A least one onsite inspection will be conducted during the projects implementation timeframe.

Article 125 verification is a check of the systems and procedures of a project, both internally at Invest NI and externally at the project premises. A sample of claimed and paid expenditure and outputs will be verified to source documentation. Inspection will also verify compliance with other requirements, for example, publicity, procurement, equal opportunities, insurance, etc.

Recommendations by the Article 125 Verification team on how an Invest NI customer may improve their processes and to ensure further audits are carried out more efficiently may be issued to the customer in receipt of ERDF support.



General

As an Intermediate Body it is imperative that Invest NI ensures compliance with all ERDF Requirements. This guidance booklet and the associated Fact Sheets will help highlight the key issues that should be addressed by both Invest NI and supported organisations. Ensuring all relevant staff are aware of the ERDF requirements, will assist with compliance from the outset for each project. For further information and guidance please contact a member of the Invest NI EU Programmes Team by email: euprogrammesteam@investni.com

Useful Links

[DFP/DETI Guidance](#) - Guidance documents to help interpret and explain the regulations applicable to the EUIGJ Programme.

[EU Legislation website](#) - All the regulations can be found on the European Union legislation website.

[Nibusinessinfo.co.uk](#) – The website provides useful guidance and notes for all businesses, including advice on contracts of employment, equality and tax.

The following Fact Sheets provide additional information:

Fact Sheet 1	Eligible Expenditure
Fact Sheet 2	Staffing Costs
Fact Sheet 3	Ineligible Expenditure
Fact Sheet 4	Audit Requirements
Fact Sheet 5	Publicity
Fact Sheet 6	Procurement, Equality Codification and Insurance
Fact Sheet 7	Frequently Asked Questions

FACT SHEET 1 ELIGIBLE EXPENDITURE (NON STAFF COSTS)

Expenditure on approved projects is eligible for grant reimbursement if it has **actually been incurred and paid** by the supported organisation. **Expenditure must be clearly linked to the project, identified in the application and approval process and clearly outlined in the Letter of Offer. It must be adequately codified to the project in a unique manner as outlined in Letter of Offer.**

INVOICED COSTS

The following can be included as eligible expenditure through invoiced costs:

Professional / Consultancy Fees and Sub – Contractors Charges (excluding preparation of application for ERDF funding)

- Materials
- Information and Communication Technology equipment
- Capital Expenditure including:
 - Preliminary Expenditure; Professional Fees; Purchase of land and buildings to a maximum of 10% of total costs;
 - Purchase of Equipment;
 - For public bodies, and for all beneficiaries as required by the terms of your Letter of Offer, invoiced costs must be properly procured.

All invoices claimed must have proof of payment i.e. **payment must be able to be traced to the supported organisation bank account that the Letter of Offer has been issued to** by Cheque number, BACS report, Credit Card statement, Expense report or Petty Cash Balance Sheet to the Company bank statement. All invoices should be addressed to the Company.

ASSOCIATED COMPANY COSTS - All associated Company costs must be on terms no more or less favourable than the terms that would be provided to any other third party provider. This must be evidenced by an Arm's Length Certificate completed by the associated Company's accountants. These costs must be explicitly highlighted at every stage in the project i.e. from application, approval and on any claims submitted for grant so that it can be verified as eligible expenditure. These costs must also be actual costs and not notional, i.e. services must be purchased by the 3rd party.

EQUIPMENT DEPRECIATION COSTS - Depreciation Costs of tangible assets including furniture, portable equipment and fixed equipment are eligible costs provided the Company has documentary **evidence of actual incurred cost** by the Company, demonstrated by Assets Register through to audited accounts. For further guidance please check DFP Guidance website [DFP/DETI Guidance](#).

OVERHEADS - Indirect costs are not eligible for support in Invest NI's ERDF funded schemes. An element of overheads support is included in the unit cost of labour in the Grant of R&D scheme.



FACT SHEET 2 ELIGIBLE EXPENDITURE (STAFF COSTS)

STAFF COSTS (LABOUR)

Staffing Costs will only be eligible for personnel directly engaged in a Grant for R&D project, whether working full time or part time on the project. Specific supporting documents required to evidence staffing costs can include job descriptions, staff contracts, general Terms & Conditions of employment, annual leave records, timesheets, BACS/Payroll reports and bank statements. **Staff costs can be classified into 2 categories:**

1. Staff costs in Grant for R&D project offers that were issued prior to 1st January 2016 are calculated on the basis of actual payroll costs which may include; gross salary; Employer's national insurance contributions; contractual benefits; employers' pension costs where there is an established pension scheme which applies to all staff and the amounts paid are within Northern Ireland Civil Service limits. There should be a clear audit trail created for staff costs from timesheet to payroll and ancillary payment records.

All elements being claimed must be included within the Terms and Conditions of the employee's Contract of Employment or general terms of conditions of the Company. (Please note this should be updated any time there is a change to the Terms & Conditions for the employee).

2. Staff costs in Grant for R&D offers that were issued from 1st January 2016 onwards are calculated on a unit cost basis. For these individuals, completed timesheets and sample checks back to payroll to prove the employee's existence will be required for verification. Analysis of payroll, annual leave, HMRC payment information, BACS or bank statements will not be required in this instance.

Individuals working full-time on the project. For offers issued prior to 1st January 2016 timesheets are not required. For offers issued from 1st January 2016 timesheets are required as payment is made against the actual days worked.

Individuals working part-time on the project. Timesheets must be kept for all project offers whether issued prior to or after 1st January 2016

All Timesheets have to include:

- a. the specific date worked on the project;
- b. the hours worked on the project;
- c. a brief description of what they were working on. If more than one project has been supported and worked on in the same period then each project must be clearly identified on the timesheet;



- d. all timesheets MUST be signed and dated by the staff member and;
- e. all timesheets MUST be countersigned and dated by their line manager.

In the case of claiming for a CEO, Chairman and / or Managing Director, all timesheets should be countersigned by either the Company Secretary or HR Manager.

Sole Traders are required to document the time they have spent on the project. This should be recorded in a timesheet and supplemented by either a written diary entry or an electronic calendar entry for the date and time claimed.



Timesheets may be maintained on a secure electronic system that is password protected rather than paper based if the proper procedures are in place, to ensure that times submitted and approved cannot be amended retrospectively. For example, an Excel spreadsheet is not acceptable, unless the timesheet has been printed and signed, dated and then scanned after completion. **Hours claimed must not be more than the contracted hours per week unless authorised and paid for. These hours will then be grant aided at the normal hourly rate, even if overtime rates are applied.**

STAFF COSTS (OTHER)

- All Costs must be based on actual costs incurred and paid for by the Company.
 - Only economy class flight/rail costs are eligible;
 - Accommodation Expenditure capped to NICS overnight rates (link to worldwide rates: [DFP overseas subsistence allowance](#))

Please note other charges that are not eligible in accommodation bills include;

- Telephone calls, mini-bar costs or any alcohol costs, movie costs, newspapers, etc.

**** ALL EXPENDITURE MUST BE DEEMED ELIGIBLE PER INDIVIDUAL LETTER OF OFFER REQUIREMENTS**

FACT SHEET 3 INELIGIBLE EXPENDITURE

The following costs are **ineligible** for support:

- **VAT** which is recoverable, by whatever means, is ineligible, even if it is not actually recovered by the beneficiary or individual recipient;
- **Notional costs**, for example, room hire within a premises where room hire is not usually charged;
- **Dividends** as these are considered profits;
- **Discounts** as no cost incurred by supported organisation;
- Staff costs that are not directly attributable to project delivery;
- Training that is mandatory under statutory provision;
- Payment for gifts and donations;
- Entertainment costs (excluding modest Hospitality expenditure);
- Repairs and maintenance unless directly related to project delivery;
- Standalone costs of works being carried out as a statutory requirement;
- Private pensions; and
- Fines or other financial penalties;

This list is not exhaustive and may be refined from time to time. If you have any queries on ineligible expenditure please contact Invest NI EU Programmes Team by email – euprogrammesteam@investni.com



FACT SHEET 4 AUDIT REQUIREMENTS

All documents necessary to verify the audit trail must be held by beneficiaries or the Intermediate Body (IB) unless *otherwise agreed through provisions within national legislation and guidance*.

Retention of Documents

The EC regulation (Article 140 of the CPR) relating to Programme documents requires that all documents and information which constitute the audit trail must be retained until at three years from 31 December following the submission of the accounts in which the expenditure of the operation is included. This time period can be extended in the case of legal proceedings or by request of the Commission. However, expenditure within the Programme is subject to state aid rules requiring documents to be held for a period of ten years from the award date. The retention period set by the Managing Authority for the purposes of the Programme, is ten years from the date of the original Letter of Offer to the Project. Note: this statement only relates to Programme document retention requirements and there may be other reasons for projects to retain documents beyond this date. In the event of termination or closure of the project/operation for whatever reason, the documentation must be returned to Invest NI. In no circumstances should any of the project/operation documentation be disposed of without the written permission of Invest NI and the Managing Authority.

Every project must clearly document the location where audit trail information is retained.

For further details on Programme Requirements please see attached link on the European Commission's regulations webpage:

<http://eur-lex.europa.eu/legal-content/>

Project Management including Document Retention

For every project, the information set out below **must be retained and be easily accessible**. As the Intermediate Body it is the responsibility of Invest NI to regularly check that all beneficiaries are meeting audit requirements in cases where the audit trail documentation is held at beneficiary level.

As of 1st of January 2016, beneficiaries of ERDF supported projects will have the option to submit **all** documentation electronically and only once to Invest NI. This will include claims and all supporting documentation for them. The **organisation supported** should also retain the following information:

- Copy of the approved budget for the project;
- Claim documents;
- Journal/ledger records indexing the appropriate invoices/receipts etc;
- Invoices, receipts, travel claims and other accounting documents;
- Timesheets, signed and countersigned as required;
- Bank statements; P11 and other payroll records (including ERNI and HMRC records);
- Contracts of employment or company employment terms and conditions;
- Copies of any certification/verification work undertaken;



- Publicity records and Tendering documents as appropriate;
- Documentation regarding the application of exchange rates as appropriate;
- Annual Accounts;
- Arm's length certificates related to associated parties or businesses.

Organisations need to ensure that original documentation is retrieved and stored securely and accessibly from all electronic systems that become obsolete or no longer accessible. This will relate to both Company systems and 3rd party electronic systems (for example: bank statements, payroll) that are related to the project.

Remember all supported organisations must retain all documentation up until 10 years from the date of the Letter of Offer or when advised by Invest NI that documents are no longer required, and must also ensure that this documentation is available for inspection on request from the relevant bodies i.e. Invest NI, DETI or European Commission auditors.



FACT SHEET 5 PUBLICITY REQUIREMENTS

The overall aim of publicity is to highlight and promote the role played by the European Union, specifically through the EUIGJ, in supporting projects within Northern Ireland.

A3 CERTIFICATES

As a minimum the European Commission requires that each supported project must display a poster, A3 in size, provided by Invest NI confirming the project has been part funded by EUIGJ. The A3 poster must be on display at the location where the project is being undertaken, in a prominent position where the public and/or the company's' customers are able to see it.

WEBSITE

If a beneficiary of an ERDF supported project has a company website, the following information must be displayed on that website:

A paragraph giving a short description of the project including its aims and results, and highlighting the financial support from the EU;

The ERDF logo which includes the strapline.

The paragraph in recognition of the ERDF support should be placed where it is easily accessible, for example in the news section of the website, and must remain on the website during the implementation period of the project, this covers the period from when the letter of offer is accepted by the beneficiary until the final submitted claim for the project has been paid by Invest NI. Evidence must be provided showing the article on the company website at the start and at the end of the implementation period by means of a dated screenshot of the article.

The logo must be the full colour logo and is to be of at least the same size and prominence as other logos. The logo should be at the same location as the paragraph on the project and should be visible on the page without having to scroll and with the device at optimal resolution (on at least one electronic device). If the beneficiary wants to locate the logo on the home page of the website (again where it must be visible without scrolling), rather than as part of the news article, this is also acceptable.

CAPITAL PROJECTS EXCEEDING €500,000

For larger scale capital projects, billboards (permanent and temporary) must be erected. A permanent plaque or billboard will have to be installed no later than three months after completion of a project that fulfils the two criteria mentioned below.

(a) the total public support to the project exceeds EUR 500,000;

(b) the project consists of the purchase of a physical object, or of the financing of infrastructure or of construction operations.



The billboard, both permanent and temporary must display the name of the project, the main objective of the project, the type of project, the European Union emblem together with the reference to the European Union and the reference to the EU Fund or Funds utilised and should take up at least 25 % of that billboard. The plaque/billboard also needs to have the tagline “Investing in your future” incorporated into it.

Temporary billboards need to be erected during the implementation of the project, for each project consisting of the financing of infrastructure or construction operations for which the total public support to the operation exceeds EUR 500 000.

PRINTED MATERIALS

- Publicity requirements also apply to all publications/printed material funded under the Letter of Offer **including**:
- Event material (backdrops/programmes/invitations, presentations etc.);
- Advertisements;
- Promotional items/materials;
- Publications and press releases relating to the project funded;

The above list is not exhaustive so please check with the EU Programmes Team if you have any queries.

Any conferences/seminars/fairs/exhibitions relating to activities supported by the Programme should also display the official logo prominently and a dated photographic record of this retained.

The logo on this fact sheet is the official logo of the EUIGJ for Northern Ireland. It can be downloaded from: [EUIGJ Logos](#).



FACT SHEET 6 PROCUREMENT, EQUALITY, CODIFICATION AND INSURANCE

It is important that all recipients of ERDF grant have a procurement policy in place, preferably as a written policy document.

For privately owned companies it is accepted that value for money is the driver for ensuring value for money procurement. However best practice is that all businesses should have a written procurement policy demonstrating profit maximisation is their goal, use of associated entities must be accompanied by an independent declaration of the association between the businesses. All Public organisations must adhere to the public policies and thresholds on procurement. Managing Authority has stated for the purposes of ERDF funding in the EUIGJ, the Central Procurement Directorate's (CPD) Procurement Guidance must be applied. Note 04/12 provides details on Procurement Control Limits. EU Thresholds and other information on procurement can be found at: [DFPNI procurement policy and guidance](#). If in any doubt about your obligations regarding procurement please check with Central Procurement Directorate's Procurement Policy Branch who can be contacted at: procure.info@dfpni.gov.uk



EQUALITY OF OPPORTUNITY - The Invest NI Letter of Offer clause titled 'Equality' states that it is a requirement for all supported organisations to comply with statutory Equality of Opportunity legislation. Best practice is to have a **written Equality of Opportunity policy in place** that is available for inspection during audit. This will assist in ensuring that during inspections, compliance on this issue can be more easily confirmed.

In accordance with NI Fair Employment legislation Equality Monitoring and Reporting to the Equality Commission is required where there are 11 or more employees in the organisation.

For a sample Equality of Opportunity policy please refer to the Equality Commission for NI website address as follows: [Equality Commission Northern Ireland - Equal Opportunities](#)

CODIFICATION - As per grant paragraph A1.1 in the Terms and Conditions Annex titled "Accountancy System" of all Letter of Offers, it is a European Commission requirement that all beneficiaries implement a system of **adequate codification of all income and expenditure associated with each ERDF supported Project (excluding labour)** within their current accounting system. The purpose is to ensure traceability of expenditure and help ensure that there is no double funding. This will assist in ensuring future inspections that may take place will run more smoothly and compliance on this issue can be more easily confirmed.

INSURANCE - Employers and/or Public Liability insurance applies where a Company or organisation is required by law to have this insurance in place. It may not be applicable to all projects; however, this information should be clarified in the initial stages of the project and documented accordingly.

Buildings/Contents insurance is also required for Capital Expenditure or Equipment Depreciation claimed under ERDF to cover replacement costs. Please refer to the website <http://www.nibusinessinfo.co.uk/> to check if your organisation requires Public Liability or Employers insurance in accordance with legal requirements.

FACT SHEET 7 FREQUENTLY ASKED QUESTIONS

What does ERDF mean?

ERDF stands for European Regional Development Fund. It is a fund designed to help stimulate economic development and regeneration in the least prosperous regions of the European Union.

What is the final date for expenditure to be included under EUIGJ?

Expenditure must have been **incurred and paid by the project beneficiary by 31st December 2023**, as evidenced by payment records indicating the money has left the bank account of the project beneficiary by 31st December 2023.

Earlier deadlines can be imposed through terms and conditions of Letters of Offer or contracts as appropriate. Additionally, Intermediate Bodies such as Invest NI can stipulate an earlier deadline for administrative purposes. Where a beneficiary is permitted to make payments up to and including 31 December 2023, every effort should be made to submit financial claims and corresponding papers to Invest NI as soon as possible thereafter (generally by a stipulated deadline) to facilitate essential management verification, vouching and payment processes. Failure to submit claims by the stated deadlines may result in withdrawal or termination of funding.

Why do I have to apply through an Intermediate Body?

Intermediate Bodies have been delegated the responsibility of identifying projects that are in line with the 3 main priorities of the programme. This will enable effective delivery of the Investment for Growth and Jobs Programme.

What are the conditions of funding?

All applications must clearly satisfy the conditions of the Invest NI scheme applied for. This means they must also comply with European Union and National conditions set out in Letters of Offer or contracts.

What insurance is required?

Employers and/or Public Liability insurance applies where a Company or organisation is required by law to have this insurance in place. It may not be applicable to all projects. Buildings/Contents Insurance is required to cover replacement value where Capital grant or Equipment Depreciation has been paid. This information should be clarified at the initial stages of the project's implementation.

Can internal journal transfers be accepted as evidence of expenditure?

ERDF funding can only be claimed on expenditure that has been paid by the supported organisation. As such, journal transfers are only accepted as evidence of expenditure if they can be traced back to the original cost incurred by the supported organisation. The transfer must be supported by documentation indicating that the service/goods have been requested, supplied and delivered and that the cost has transferred from the cost centre of the project delivering the activity,



and can be traced back to the relevant expenditure incurred by the supported organisation (which will need to be evidenced through bank statements, receipted invoices or accounting documents of equivalent probative value).

Which newspapers should be used to advertise for services under the Programme?

This issue (which is a national ruling rather than a specifically European one) is addressed through DETI's Equality Scheme which is used to govern the EUIGJ.

When disseminating information through the local press, ensure that press statements and public advertisements are carried by all three Belfast daily newspapers, including the North West version of the Belfast Telegraph. Where press statements or public advertisements are aimed at a particular geographical area within Northern Ireland, ensure that the information is available through at least two local newspapers circulating in that area. Also ensure that specialist press receive copies of appropriate press releases to disseminate, as they consider appropriate, to their particular readership. **This practice should equally be applied when publishing notifications of the opportunity to tender through an e-tender web facility or through the Official Journal of the European Union (OJEU).**

You should be mindful that some sections of the public might not enjoy equality of opportunity in accessing information. For example, some members of the public may not have access to a computer to obtain information from websites. They may require access to information in different formats due to a visual impairment or their first language. You should consider a range of communication methods to ensure wide access to information. Each communication should be viewed on the basis of how best it should be publicized taking into account equality and value for money.

Can Proforma invoices be considered eligible documentation?

Proforma invoices are abridged or estimated invoices sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the type and quantity of goods, their value, and other important information such as weight and transportation charges. Proforma invoices are commonly used as preliminary invoices with a quotation, or for customs purposes in importation, however the agreed price may change prior to final sale. Therefore in terms of proof of payment, Proforma invoices would not be considered as documents of equivalent probative value to an actual invoice.

What specific publicity requirements apply to infrastructure or construction projects?

Prominent site signage must be displayed throughout the period of all infrastructure or construction projects where the ERDF funding is equal to or greater than €500,000 (at the exchange rate at the date of the grant offer). The signage must include the official ERDF logo and the strap line "European Union European Regional Development Fund Investment for Growth and Jobs." On billboards and plaques the official logo must be on the same scale as any other logos used and the total EU reference should occupy 25% of the total space. All such Projects must erect a permanent explanatory plaque of significant size at a location readily visible to the public no later than three months after completion of an operation.



Can a salary still be paid if an officer is on sick leave but project targets are still being met?

Sick or maternity pay can be claimed if it is in line with the organisation's staff policy or contained within the individual's contract of employment and is not recoverable by the employer from the state. (DFP Guidance website link: [DFP/DETI Guidance](#).)

Is Sick Pay/Maternity Pay eligible for ERDF and are salary costs for a 'stand-in' employee eligible?

It is not permissible to use ERDF funding in respect of two employee salary costs for a single post. Where an employee is absent on sick/maternity pay, the use of ERDF should be limited to reimbursement of either the salary costs for the absent employee or the salary costs of the replacement employee.

Sick/maternity pay can be claimed for 'stand-in' employees if it satisfies the following criteria:

- Salary costs are included in the Letter of Offer;
- Sick/maternity pay is in line with the organisation's policy and is contained in the individual's contract of employment; and
- The organisation cannot recover the sick/maternity pay from the State.

All salary claims must be eligible in terms of National Rules and fully compliant with every aspect of the Letter of Offer.

Are salary costs relating to untaken holiday pay entitlements eligible for ERDF?

Contractual arrangements to receive pay for untaken holiday entitlements are considered eligible provided that the accrued entitlement relates to a period where salary costs have been approved as eligible for the project supported.

What if a Public Body supported under the Programme proposes using an existing employee to fill a vacancy for which they will seek ERDF funding?

Expenditure incurred by public administrations in implementing projects is eligible provided that the activity represents an additional obligation to the organisation. This is consistent with the **need to demonstrate additionality in any project funded using public money**. Generally, evidence of additional cost would take the form of verification that headcount has increased or that a post would have ceased to exist without the funding. Generally a written assurance from the HR Department of the Public Body is sufficient for eligibility. The Public Body will itself be responsible for ensuring and demonstrating adherence to wider statutory employment obligations.

Are drawings eligible for ERDF?

As an Intermediate Body, Invest NI does not include drawings under any ERDF funded schemes as eligible costs.



Are capital depreciation costs eligible?

Yes, provided it has been agreed that the asset/equipment will only be used for the project being supported during the claim period. Each case is viewed on an individual basis. A depreciation schedule is used to inform whether or not the asset will have a value at the end of the project. All documentary evidence in relation to the purchase of an asset will also need to be available as well as project duration. The outcome of this exercise will determine what amount should be paid to the supported organisation. Further clarification, if required, should be sought from the Managing Authority through Invest NI.

Note: Depreciation cannot be claimed in respect of property / goods which have benefited from national or European grants at the time of their purchase – i.e. there must be no double funding ([Guidance website link DFP/DETI Guidance.](#))



Is second-hand equipment eligible for funding under the Programme?

The purchase cost of second-hand equipment is eligible provided that (i) the equipment is clearly linked to the delivery of the Project and (ii) it has been properly procured. The equipment must not have been purchased previously with the aid of national or European grants. The price of the equipment must not exceed its market value and be less than the cost of similar new equipment, be technically appropriate and comply with any relevant legislation (e.g. health & safety). The calculation of the eligible expenditure relating to the purchase of second-hand equipment should be based on its current value identified in an independent valuation certificate.

Is training eligible for ERDF support?

Staff training costs are eligible if the training is directly required for and specific to the project and deemed an eligible cost for support within the letter of offer. Mandatory training required by statutory provisions is ineligible.

What value of travel and subsistence can be funded under the Programme?

In all instances, accommodation and travel expenditure will only be treated as eligible for funding against "actual" costs as evidenced by supporting invoices/receipts. Meal costs will not be reimbursed except where breakfast is included in the accommodation invoice.

In what circumstances is VAT eligible for funding under the Programme?

DFP Guidance [DFP/DETI Guidance](#). "VAT which is recoverable, by whatever means, is **ineligible**, even if it is not actually recovered by the sponsor or individual recipient. Irrecoverable VAT can be claimed as an eligible cost provided the claim is substantiated by suitable evidence from the organisation's auditors or accountants." Proof that the VAT is irrecoverable must be obtained from HMRC and retained for the audit trail.