

SWISS-POLISH
Cooperation Programme



NCBR
National Centre for Research
and Development

Financial Issues

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AGENDA

- **General rules**
- **Currency**
- **Expenditures eligibility criteria**
- **Costs categories**
- **Payment model**
- **Proof of expenditures**
- **Reporting – financial part**



Project grant and budgeting – general rules

- in case of participation in a consortium entities outside Poland and Switzerland, their share in total eligible cost of the project, may not exceed 10%
- eligible costs claimed by the Swiss partners participating in the project shall not exceed 40% of the total eligible costs of Polish and Swiss entities
- own contribution may only take the form of a cash contribution
- final cost eligibility date in the Programme is 31 March 2029



Currency

- the currency used for completing budget in application form, payments from the Programme Operator (PO) and settlements between the Project Component Operator (PCO) and Project Component Partner(s) (PCP) is the Polish zloty (PLN)
- the currency exchange rate used for conversions from Swiss francs to Polish zloty was set at CHF 1 = PLN 4.4848



Expenditures eligibility criteria

- project contract has been signed
- costs have been foreseen in the approved project budget
- costs have been incurred and paid during the eligibility period
- costs have been duly documented and are verifiable
- costs are in compliance with Cost Eligibility Guide

* All costs disclosed in the settlement must be actually incurred during the period of cost eligibility and paid within 30 days from the date of completion of the project, no later than the date of submission of the final report. The cut-off date for expenditure eligibility in the programme is 31st March 2029.



Expenditures eligibility criteria

- costs are necessary for the implementation of the project and have been incurred in relation to the implementation of the project
- costs have been actually incurred for the products/services
- costs have been incurred in an efficient and rational manner
- costs have been incurred in a cost-effective manner, i.e. on the basis of the rule of pursuing the specified effects at the most favourable price
- costs are in compliance with the applicable provisions of the EU law and the national law, in particular with the public procurement law (if applicable)



Cost Eligibility Guides

1. Cost Eligibility Guide for Research Organisations
2. Cost Eligibility Guide for Enterprises



Cost Eligibility Guide for Research Organisations - Catalogue of eligible costs

Cost categories:

W- staff

E - subcontracting

A - equipment, instruments and intangible assets

OP- other direct costs

O - overheads - indirect expenditure



Staff (W)

The expenditures of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, to the extent that these remunerations are directly related to the implementation of the project covered by the co-financing.

- **full time contract**
 - ✓ employment contract

- **part time contract**
 - ✓ time sheet

- **fix-term contracts**
 - ✓ mandate contract
 - ✓ contract for specific task

* in the situation of a change in the Beneficiary's (PCO, PCP) remuneration regulations during the project implementation, the regulations in force on the date of submitting the application for co-financing, constituting the basis for planning the project budget, are the binding document, except for a situation when an update of the regulations results from a change in generally applicable legal provisions and exceptional price increases or the unprecedented economic situation.



Subcontracting (E)

The expenditure related to subcontracting, understood as commissioning a part of the substantive work of the project to a third party, that is not performed on the premises and under the direct supervision of the Beneficiary (PCO, PCP).

- subcontracting shall not include auxiliary activities necessary for the performance of project tasks, such as legal or accounting services.
- the costs of category E are considered up to 70% of the total eligible costs

* subcontracting expenditures are excluded from the project overhead cost base



Equipment, instruments and intangible assets (A)

- costs of scientific research equipment and other devices used for research purposes
- costs of technical knowledge and patents purchased or used under licence, obtained from third parties under market terms, i.e. intangible assets in the form of patents, licences, know-how and non-patented technical knowledge

- ✓ purchase costs
- ✓ depreciation costs
- ✓ paid use

* the eligible value of depreciation costs relates only to the project implementation period and the proportion of using the equipment in the project implementation



Other direct expenditures (Op)

I. travel expenditures

business trip allowance - travel and subsistence allowances for staff taking part in a project:

- a travel must be clearly related to project implementation and the Beneficiary's (PCO, PCP) employee must take part
- payment made directly by the travel participant must be supported by a proof of payment
- the means of transport and accommodation should be selected in line with the principle of sound financial management
- the proof of expenditure should be kept (i.e. an invoice issued by a travel agency, plane tickets, e-tickets, boarding pass, meal receipts, list of participants, minutes, agenda, etc.)

the eligible costs in this category include:

- ✓ **travel costs**
- ✓ **subsistence**
- ✓ **accommodation**
- ✓ **conference fees**



Other direct expenditures (Op)

II. consumables and supplies:

costs of materials, consumables and similar products incurred directly in relation to project implementation

types of costs within this category include, i.e.

- ✓ **materials**
- ✓ **small laboratory equipment**
- ✓ **reagents**

* as a rule, all purchases which do not meet the criteria of a fixed asset, under the Accounting Act and the adopted accounting policy



Other direct expenditures (Op)

III. other expenditures not subject to the above classification incurred in the period and proportion of use in the project

- expenditures related to the maintenance of technological lines
- elements used for construction and permanently installed in a prototype, pilot or demonstration installation
- external services
- expenditures related to training of employees carrying out research tasks
- expenditures including an external audit or obtaining an auditor's certificate
- expenditures relating to the first patent application
- expenditures related to the promotion of the project

* it is possible to settle expenses listed in the "O" category in the "Op" category if they are necessary and directly related to the content of the implemented project and their value has been reliably determined.



O- overheads (indirect project expenditures)

overheads are settled on a flat-rate basis, as a percentage of the remaining eligible costs of the Project, excluding category E (Subcontracting costs), by applying the following formula:

$$O = (W+A+Op) \times 25\%$$

* Overheads which are settled on a flat-rate basis are considered as having been incurred. The Beneficiary (PCO, PCP) is not obliged to collect or describe accounting documents as part of the Project to prove that the expenditures identified as overheads were incurred.



O- overheads (indirect project expenditures)

- expenditures related to the rental or maintenance of buildings
- infrastructure maintenance expenditures
- remuneration costs of management, administrative, technical and support staff related to the unit's ongoing operations
- postal, telephone, internet and courier services,
- expenditures for office and stationery supplies
- expenditures o property insurance



Cost Eligibility Guide for Enterprises

- Catalogue of eligible costs

Cost categories:

W- staff

E - subcontracting

A - equipment, instruments and intangible assets

O - overheads (indirect and operational expenditure)



Staff (W)

the expenditures of staff assigned to the project, comprising actual salaries plus social security charges and other statutory costs included in the remuneration, to the extent that these remunerations are directly related to the implementation of the project covered by the co-financing

- **full time contract**
 - ✓ employment contract
- **part time contract**
 - ✓ time sheet
- **fix-term contracts**
 - ✓ mandate contract
 - ✓ contract for specific task

* In the situation of a change in the Beneficiary's (PCO, PCP) remuneration regulations during the project implementation, the regulations in force on the date of submitting the application for co-financing, constituting the basis for planning the project budget, are the binding document, except for a situation when an update of the regulations results from a change in generally applicable legal provisions and exceptional price increases or the unprecedented economic situation.



Subcontracting (E)

the expenditure related to subcontracting, understood as commissioning a part of the substantive work of the project to a third party, that is not performed on the premises and under the direct supervision of the Beneficiary (PCO, PCP)

- subcontracting shall not include auxiliary activities necessary for the performance of project tasks, such as legal or accounting services
- the costs of category E are considered up to 70% of the total eligible costs



Equipment, instruments and intangible assets (A)

- **costs of scientific research equipment and other devices used for research purposes**
- **costs of technical knowledge and patents purchased or used under licence, obtained from third parties under market terms, i.e. intangible assets in the form of patents, licences, know-how and non-patented technical knowledge**

- ✓ **purchase costs**
- ✓ **depreciation costs**
- ✓ **paid use**

* the eligible value of depreciation costs relates only to the project implementation period and the proportion of using the equipment in the project implementation.



O - Overheads- (indirect and operational expenditure)

I. indirect costs:

- expenditures related to the rental or maintenance of buildings
- infrastructure maintenance expenditures
- remuneration costs of management, administrative, technical and support staff related to the unit's ongoing operations
- postal, telephone, internet and courier services
- expenditures on office and stationery supplies
- expenditures on property insurance



O – Overheads - (indirect and operational expenditure)

II. operational expenditure:

- expenditures related to the maintenance of technological lines
- elements used for construction and permanently installed in a prototype, pilot or demonstration installation
- external services
- expenditures related to training of employees carrying out research tasks
- expenditures including an external audit or obtaining an auditor's certificate
- expenditures relating to the first patent application
- expenditures related to the promotion of the project
- costs of materials, consumables
- business trip allowance
- conference fees



O- Overheads- (indirect and operational expenditure)

overheads are settled on a flat-rate basis, as a percentage of the remaining eligible costs of the Project, including category E (Subcontracting costs), by applying the following formula:

$$O = (W+E+A) \times 20\%$$

* Overheads which are settled on a flat-rate basis are considered as having been incurred. The Beneficiary (PCO, PCP) is not obliged to collect or describe accounting documents as part of the Project to prove that the expenditures identified as overheads were incurred.

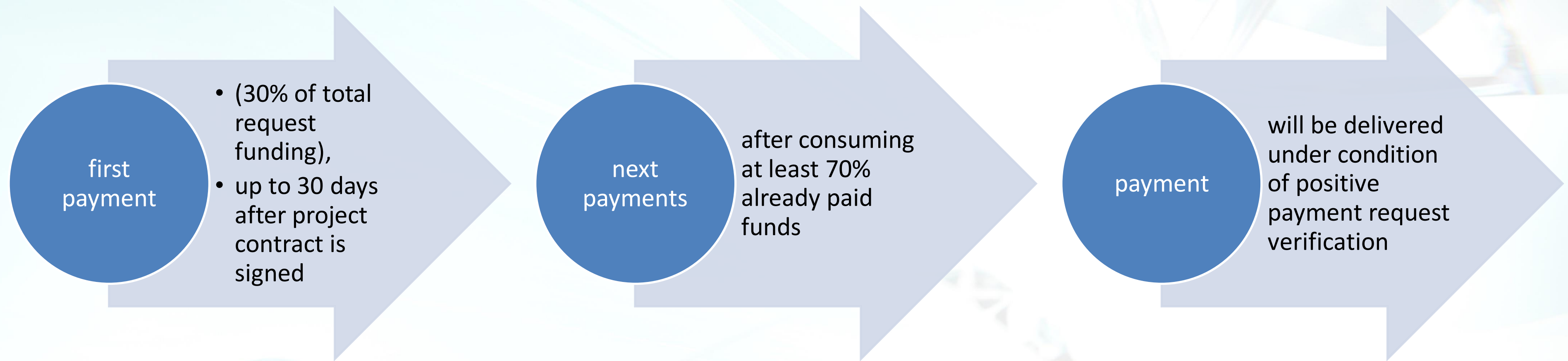


Catalogue of non - eligible cost

- expenditures which have not been incurred in the eligibility period
 - expenditures which do not meet the eligibility criteria defined in the **Cost Eligibility Guides**
 - not documented or insufficiently documented expenditures
 - excessive or reckless expenditure
 - duplication of co-financing, either in whole or in part, of a given cost is prohibited
-
- ✓ fines, penalties, financial penalties, criminal charges and interest
 - ✓ VAT which is recoverable under the law
 - ✓ charges for financial transactions
 - ✓ costs of traineeships and research and doctoral scholarships
 - ✓ unused leave compensation
 - ✓ exchange rate losses other than those due to the involvement of Swiss partners



Payment model



- it is necessary to open separate bank account for funds
- payment request is submitted by the PCO and it refers to whole project
- information about particular costs incurred in the project will be submitted with the periodic report



Proof of expenditure

Project in which the total value of the awarded co-financing exceeds the amount of PLN 3 000 000 is subject to a mandatory external audit

- the cost of the audit is an eligible cost if the audit commenced after a completion of at least 80% of the planned expenditure related to project implementation
- an audit is conducted after the end of the project and a report is submitted with the final project report
- for these projects an additional proof of expenditure shall not be necessary, as the joint report covers all its obligations
- PCO and Polish PCPs are required to submit the certificate on financial statements if they will not be subject to the audit. In this case, an obligation arises if PCOs and Polish PCPs will spend more than PLN 1,450,000 of the funding from the Program
- swiss PCP will have to provide the certificate on financial statements based on verification conducted by an independent auditor



Proof of expenditure

		Polish partners		Swiss partners	
amount of funding	required document	PCO	Partner 1	Partner 2	Partner 3
less than PLN 1 450 000	not applicable*		●		●
PLN 1 450 000 and more	Certificate	●		●	
Total grant amount is more than PLN 3.000.000					
YES	Audit	●	●		
NO					
*Certificate					



Periodic reports – financial part

- **An individual financial statement from each participant for the reporting period concerned. The individual financial statement shall detail and declare the eligible costs for the participant**
- **amounts which are not declared in the individual financial statement will not be taken into account by the Programme Operator**

each participant must certify that:

- the information provided is complete, reliable and true
- the costs declared are eligible
- the costs can be substantiated by adequate records and supporting documentation that will be produced on request or in the context of checks, reviews, audits and investigations
- a summary financial statement from the PCO consolidating the individual financial statements for the reporting period concerned



Final reports – financial part

- **The final report is submitted within 60 days from the date of completion of the Project. It contains the final financial settlement of the Project.**
- consist of:
 - final „individual financial statement” from each participant for the final reporting period, as defined in the project contract
 - a final summary financial statement from the PCO consolidating the individual financial statements for all reporting periods and including the request for payment of the balance (final payment claim)
 - distribution of the financial contribution between the PCO and project partners PCP
 - certificate on the financial statements for each participant, if required

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Thank you for your attention

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