

Cross-Border Cooperation Programme Serbia Montenegro

R E P O R T I N G

Interim Report



Ministry of Finance
Department for Contracting and Financing of EU Funded Programmes (CFCU)

Reporting

The Beneficiary is required to prepare the following reports, as a minimum:

- a) Interim Report**, consisting of a narrative section and a financial section, *including supporting documents as required by CA (hard copy + electronic version)*;
- b) Final Report**, consisting of a narrative section and a financial section, *including supporting documents as required by CA (hard copy + electronic version)*.

The format of the Interim and Final reports should be based upon the **templates** provided in the Annex to the grant contract.



Reporting

- The reports must be drafted in the language of the Contract (English) and submitted to the CA at the following intervals (as defined in **Article 4** of SC):
- Actions with implementation period not exceeding 12 months and where the financing provided by the Contracting Authority does not exceed € 100,000 or in all other actions if defined so in General Conditions: a **single final report** will be drafted, not later than 3 months after the implementation period as defined in the Special Conditions;
- Actions with an implementation period of more than 12 months and where the financing provided by the Contracting Authority exceeds € 100,000
- An interim report must accompany every request for payment;
- A final report shall be forwarded no later than 3 months after the implementation period as defined in the Special Conditions.



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Interim Report

- Narrative part (1 original + 2 copies, signature, stamp)
- Financial part (1 original + 2 copies, signature, stamp)
- Request for payment (2 originals)
- Detailed breakdown of expenditure with separate sheet for partner costs

(hard copy + electronic version – in Excel)

- Supporting documentation, particularly in evidencing the expenditures and transfer of supplies purchased within the grant financed project

(hard copy + electronic version).



Interim Report

The Interim Report should be submitted:

- **in 3 hard copies (1 original + 2 copies) + 2 electronic copies:**
 - a) for the CA: 2 copies – 1 original and 1 copy + electronic version,**
 - b) for the Control Body - 1 copy + electronic version***
- in clearly marked folders (name and contract number etc);
- electronic version must contain the same information as the hard copy version (documentation should be organized in the same way)

** Directorate for Finance and Contracting of the EU Assistance Funds (CFCU), Ministry of finance, Arsenija Boljevića 2A, 81 000 Podgorica*



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Supporting documents

The supporting documents can include the following:

- secondary procurement documentation ;
- proof of origin for equipment and vehicles purchased under the grant contracts;
- copies of the proofs of transfers of equipment and vehicles;
- other proofs of deliverables (minutes, attendance lists, copies of publications, reports, studies etc.);
- visibility materials (records and copies of publications in media) ;



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Supporting documents

- timesheets and salary lists of grant beneficiary's staff;
 - travel orders and receipts;
 - copies of various invoices;
- ... and other documents proving eligibility of the costs.

• *All supporting documents must be provided in
3 hard copies*



Interim report

- The Interim report is submitted by the Coordinator to the CA.
- Deadline for verification **starts from the day when the Interim Report is submitted to the registry office of the Ministry of Finance, CFCU**, Sremska 3-5, Belgrade.
- Reporting period starts from the day after the second signature (example: second signature **December 29th 2018, implementation starts on Dec 30th 2018, reporting period ends on Dec 29th 2019.**
- Exchange rate - 4 decimals should be used and all costs in the *Detailed breakdown* presented with 2 decimals.



- Financial report needs to include correct contract number, as well as reporting/implementation period.
- The financial part of the report needs to be prepared in English, signed and stamped by the Coordinator's representative. The budget provided in the financial report has to be compliant with the budget from the original contract or latest addendum.



Interim report

Management verifications of operations shall be performed by:

- **CA** (expenditure incurred by Serbian beneficiaries) either lead Coordinator or co-beneficiary and
- **Partner country Control Bodies** (expenditure incurred by partner country beneficiaries), again, either lead Coordinator or co-beneficiary.



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Management verifications

The verifications shall comprise of:

- **Desk based checks** - CA, in coordination with the Control Body, shall perform a full check of submitted narrative and financial report and all supporting documents (what expenditure was incurred by each beneficiary under a grant contract must be clear)



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Verification of the report

- **On-the-spot checks** - include visits to the premises of Coordinator, and, as appropriate, to co-beneficiaries and locations where activities are implemented (e.g. infrastructure sites). These will be conducted with reference to each *Request for payment* (both for further pre-financing and the balance) and after desk based checks have been performed.



Verification of the report

- On-the-spot checks shall be conducted by the CA for Serbian beneficiaries and the relevant Control Body for partner country beneficiaries; they shall, however, coordinate their visits, both being in attendance, if possible



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Verification of the report

- After desk based and on-the-spot checks related to a specific report have been performed by the relevant Control Body, it shall issue a ***Declaration of eligible expenditure*** to the CA, detailing the expenditure found to be eligible and outlining reasons for any expenditure found to be ineligible.



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Verification of the report

- Positive checks – documentation is approved and CA proceeds to payment in full;
- Some expenditure is found to be ineligible - CA shall proceed to partial payment or recovery, informing the beneficiary of the reasons for doing so;
- Insufficient information or documentation to clarify whether expenditure is definitively eligible or ineligible - the CA shall request the beneficiary to supply the necessary information or documentation;



Exchange rate

- **Secondary procurement:** Inforeuro exchange rate on the month of the procedure launching.
- **Reporting:** Following the Article 15(9) of the General conditions of the Grant contract, correct exchange rate used for reporting expenditures is middle EUR exchange rate of the National Bank of Serbia on:
- **1st case: if Coordinator is from Serbia** - the date money has been received by Coordinator;
- **2nd case: if Co-beneficiary is from Serbia regardless of the country origin of the Co-beneficiary** - received from Coordinator;



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- **NOTE:** taking into account the consumption of the total amount of money transferred under each payment increased by the amount of co-financing defined by the Grant contract as percentage. It may cause the need to divide one cost into two lines within the detailed breakdown of expenditures i.e. with a cross-section up to the amount corresponding to the exchange rate applicable to the previous payment:
 - **first line calculated in accordance with exchange rate applicable for previous payment,**
 - **second line calculated in accordance with exchange rate applicable for next (following) payment**
 - *This means that when the EU's contribution is paid in several pre-financing payments, the expenditure incurred will be reported using the exchange rate at which each pre-financing payment was recorded, using the FIFO method*



Examples for reporting exchange rate

I case

- Coordinator from Serbia/Co-applicant from Montenegro:
 - CA---> Coordinator 01.02.2020, transferred amount 100.000,00 EUR;
 - *Exchange rate: middle exchange rate of NBS on 01.02.2020. for 100.000,00 EUR.
- *NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)



Examples for reporting exchange rate

II case

Further pre-financing

- Coordinator from Serbia/Co- applicant from Montenegro:
- CA---> Coordinator **01.02.2021**, transferred amount **100.000,00 EUR**;

*Exchange rate: middle exchange rate of NBS on **01.02.2021**.
for **100.000,00 EUR**.

***NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples for reporting exchange rate

III case

- Coordinator from Montenegro /Co-applicant from Serbia:
- CA---> Coordinator **01.02.2020**, transferred amount **100.000,00 EUR**;
- Coordinator---> Co-applicant **05.02.2020**, transferred amount **50.000,00 EUR**;

*Exchange rate: middle exchange rate of NBS on **05.02.2020**. for **50.000,00 EUR**.

* **NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples for reporting exchange rate

IV case

Further pre-financing

- Coordinator from Montenegro /Co-applicant from Serbia:
- CA---> Coordinator **01.02.2021**, transferred amount **100.000,00 EUR**;
- Coordinator---> Co-applicant **05.02.2021**, transferred amount **50.000,00 EUR**;

*Exchange rate: middle exchange rate of NBS on **05.02.2021**. for **50.000,00 EUR**

***NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples for reporting exchange rate

V case

- Coordinator from Serbia/Co-applicant from Serbia:
 - CA---> Coordinator **01.02.2020**, transferred amount **100.000,00 EUR**;
*Exchange rate: middle exchange rate of NBS on **01.02.2020**. for **100.000,00 EUR**.
 - Coordinator--->Co-applicant from Serbia **05.02.2020**, transferred amount **50.000,00 EUR**
*Exchange rate: middle exchange rate of NBS on **05.02.2020**. for **50.000,00 EUR**.
- *NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples reporting exchange rate

VI case

Further pre-financing

- Coordinator from Serbia/Co-applicant from Serbia:
- CA---> Coordinator **01.02.2021**, transferred amount **100.000,00 EUR**;
*Exchange rate: middle exchange rate of NBS on **01.02.2021**. for **100.000,00 EUR**.

- Coordinator--->Co-applicant from Serbia **05.02.2021**, transferred amount **50.000,00 EUR**
*Exchange rate: middle exchange rate of NBS on **05.02.2021**. for **50.000,00 EUR**.

***NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples reporting exchange rate

VII case

- Coordinator--->Co-applicant from Serbia:
 - 1st instalment on 05.07.2020, transferred amount 20.000,00 EUR
 - 2nd instalment on 10.07.2020, transferred amount 1.000,00 EUR
- *Exchange rate: for the first instalment is middle exchange rate of NBS on 05.07.2020. for 20.000,00 EUR, for the second instalment middle exchange rate of NBS on 10.07.2020. for 1.000,00 EUR
- *NOTE: in the Detail breakdown of expenditures must be clearly presented which cost was used and for which activities, and from which partner (Coordinator/Co-applicant)**



Examples reporting exchange rate

VIII case

- In case if any cost was paid by the Coordinator or Co-applicant, before the first instalment was recieved from CA to the Cordinator or from Coordinator to the Co-aplicant, will be used middle exchange rate of NBS on the date when the first instalment was registered on the Coordinators/Co-applicants account.



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Irregularities

Irregularity means any infringement of a provision of applicable rules and contracts resulting from an act or an omission by an economic operator which has, or would have, the effect of prejudicing the general budget of the Union by charging an unjustified item of expenditure to the general budget.

An *Irregularity signal* is information of any discrepancy, inconsistency or possible infringement which may fall within the definition of irregularity or suspected fraud, for which at the moment of its submission to the OS bodies there is no PACA (written assessment). An irregularity signal indicates that an irregularity might have been committed but that information needs to be verified and assessed whether it constitutes an irregularity or not.



Irregularities

Suspected irregularities should be reported to the e-mail addresses of the Ministry of Finance :

cfcu.nepravilnosti@mfin.gov.rs or prijava.nepravilnosti@mfin.gov.rs

In the case that a natural or legal person or public entity does not wish to report information to a particular OS body (e.g. suspected fraud at the OS body), the irregularity signals could be sent to AFCOS (afcos.serbia@mfin.gov.rs) or OLAF.



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Irregularities

TYPES OF IRREGULARITIES:

- Fraud, Corruption, Conflict of Interests
- Technical, Contractual, Financial or Administrative (Any of those irregularities can be Intentional or due to error and irregularities may have, or not have, a financial impact. Their nature may appear to be Systemic or of the One-off irregularity type)
- Irregularities by type of infliction – intentional or unintentional
- Irregularities by type of impact – with or without financial impact
- Irregularities by nature – systemic, one-off irregularity
- Errors

