

	The URBACT II Programme 2007 - 2013	URBACT II Guidelines on First Level Control
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URBACT II Operational Programme **2007 - 2013**

Objective 3:
European Territorial Cooperation

Guidelines on First Level Control
according to art. 16 of Reg. (EC) No. 1080/2006

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EUROPEAN UNION
European Regional
Development Fund



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1. Introduction

1.1 Objective of the guidelines

The objective of these Guidelines is to assist project partners in the preparation and implementation of the first level control.

Although Member and Partner States' first level control systems can be different, we are convinced that a clarification and harmonization of procedures will better ensure a sound and successful project implementation.

These Guidelines are intended to help projects to comply with European regulations and the URBACT II Programme rules, and they should be read together with the URBACT II Programme manual where all programme rules are set out in detail.

Projects shall also refer to the "Guidance document on management verifications to be carried out by Member States on operations co-financed by the Structural Funds for the 2007-2013 programming period" issued by the European Commission [COCOF 08/0020/04-EN, final version of 05/06/2008].

1.2 Terminology

In the programming period 2007 - 2013, the terms *audit* and *control* (and thus *auditor* and *controller*) are not interchangeable since they refer to two different categories of controls.

The word *control* refers to the check performed by the first level controller (FLC) in compliance with Art.16 of Regulation of the European Parliament and Council (EC) No. 1080/2006 (ERDF Regulation). The duty of the first level controllers designated by the Member and Partner States is to validate the expenditure declared by each beneficiary¹ participating in the operation².

The word *audit*, or Second Level Auditing (SLA), refers to the checks performed in compliance with Art. 62, (1), a and b of Council Regulation (EC) No 1083/2006. The duty of the second level auditors is to carry out the audits on projects on the basis of an appropriate sample to verify the declared expenditure.

The word *controlled beneficiary* refers to the terminology used by Art. 16(1) of Regulation of the European Parliament and Council (EC) No. 1080/2006 (ERDF Regulation).

1.3 General context

Funding made available to projects in the context of the European Regional Development Fund undergoes different levels of control. These guidelines tackle

1 According to Article 2 of Council Regulation (EC) 1083/2006, "beneficiary" is an operator, body or firm, whether public or private, responsible for initiating or initiating and implementing operations. The term beneficiary thus addresses both Lead Partner (LP) and Project Partner (PP)

2 The term **operation** stands for project. The two terms, operation and project, are by all way equivalent.

the first level control under the URBACT II Operational Programme for the period 2007 to 2013.

The first level control takes place at project level and covers **100%** of the expenditure declared, including ERDF and national co-financing (in whatever form, local, regional, national, public, private, etc.).

According to Article 16 of Regulation (EC) No. 1080/2006, the organisation of the first level control has been delegated to the Member and Partner³ States for the 2007-2013 programming period.

The URBACT II Managing Authority (MA) and Secretariat (US), with the support of the Audit Authority, have provided to all Member and Partner States information on how to meet the regulatory requirements about the setting up of first level control systems at national level. In particular, they have provided a Guidance note and a Questionnaire that has been used to describe the implemented system.

The filled in and signed Questionnaire has been sent to the MA and US by all Member and Partner States and its submission was a pre-requisite for the signature of the Memorandum of Understanding⁴.

The Member and Partner States shall ensure that the URBACT II Managing Authority/Secretariat are informed of any changes of responsible body and of the control system set up as described in the description of national first level control system.

There are two different first level control systems applied by the countries that participate in the URBACT II Programme:

- Centralized system;
- Decentralized system.

Each partner of a URBACT II project should refer to the system put in place by the Member/Partner State in which it is located (regardless of the Member State of the Lead Partner). The description of these systems is available in the URBACT II web-site at the following link:

<http://urbact.eu/documentation/projects-documents/finance-and-control.html>
(PDF file: *Member States and Partner States control system descriptions*)

In a centralized system a central body is appointed by the Member/Partner State to carry out the first level control in accordance with Article 16 of Regulation (EC) No 1080/2006⁵. This body can be designated at a federal, national, or both

3 The URBACT II Operational Programme involves all 27 EU Member States plus two Partner States: Norway and Switzerland.

4 Agreement between each Member/ Partner State, the Managing Authority and the Certifying Authority about duties and responsibilities in the framework of the URBACT II Programme.

5 Even if beneficiaries from Norway and Switzerland do not benefit of ERDF funds, Norway and Switzerland signed a Memorandum of Understanding through which (cf. § 1 *Preamble*) they commit themselves to participate in the URBACT II Operational Programme in the spirit of the objective of European territorial co-operation as set out in the respective regulations of the European Union concerning the structural funds period 2007-2013 and the URBACT II Operational Programme as well as the related Programme documents.

federal and national level and acts under the supervision of a governmental body (e.g.: ministry).

In a decentralized system, a Central Approbation Body is established at central level by the Member/Partner State. The partner proposes a controller to the Central Approbation Body, which has the duty to check if the controller fulfils the requirements set by the Member/Partner States for being designated as such. If the proposed controller matches the requirements, the Central Approbation Body designates him/her and delivers the designation to the partner concerned and to the URBACT II MA/US.

The Central Approbation Body shall keep the list of the first level controllers designated in accordance with Art. 16 Regulation (EC) No 1080/2006. This list shall be made available for public consultation and shall be provided to any of the programme authorities, European Commission authorities or other control or audit body requesting it. In a decentralized system, it is the Central Approbation Body of the Member/Partner State that monitors and controls the performance of the first level controllers in its territory and thus guarantees that the first level controllers are acting in compliance with the Structural Funds regulatory framework and with the national legal framework for the validation of the expenditure and activities of the controlled beneficiary.

National/regional rules shall be provided in English to the URBACT II MA/US by the Member/Partner States.

Moreover, additional national guidance on first level control (when they exist) must be provided in English to the URBACT II MA/US by the central approbation or control body. National guidance on first level control must be checked by the MA/US to ensure their compliance with the URBACT II system and requirements.

A regular contact should be ensured between the URBACT II MA/US and the national/regional first level control contact person for updates on the existence of national/regional rules and guidance.

In case of differences between national and URBACT II rules, the stricter rule shall prevail.

Independently from the type of system each Member/Partner State has decided to implement, the MA has anyhow established some minimum requirements for the appointment of first level financial controller:

- Competences, skills and experience
- Knowledge of English and of ERDF funds
- Independence from finances and activities
- No conflict of interest
- Documentation of the control work undertaken
- Compliance with delays

The circuit of control in the framework of the URBACT II Programme involves several actors at different levels. The highest responsibility stays on the Managing Authority that has to ensure a sound functioning of the system set up

and implemented at programme and project level. The circuit of controls of the declared expenditure goes through the following main steps:

Step 1: Member/Partner State description of first level control system (to be validated with unqualified opinion by the Audit Authority)

Step 2: First Level Control at partner level

Step 3: First Level Control at Lead Partner level

Step 4: Administrative checks by the Managing Authority/Secretariat (implemented during the assessment of each Payment Claim and Progress Report)

Step 5: Control by the Certifying Authority (control of coherence and quality checks)

Step 6: On-the-spot checks by the Managing Authority/Secretariat (in addition to the administrative checks of step 4)

Step 7: Quality checks by Member/Partner States

Beyond the first level control, additional controls are organised at Programme level. One of these is the second level control, a responsibility of the URBACT II Programme's Audit Authority⁶.

1.4 Legal context

Article 16 of Regulation (EC) No. 1080/2006 stipulates that "each Member State shall set up a control system making it possible to verify the delivery of the products and services co-financed, the soundness of the expenditure declared for projects implemented on its territory, and the compliance of such expenditure and of related projects, or parts of those projects, with Community rules and its national rules" and "Each Member State shall ensure that the expenditure can be validated by the controllers within a period of three months".

Article 13 of Regulation (EC) No. 1828/2006 stipulates that "the verifications to be carried out (...) shall cover administrative, financial, technical and physical aspects of projects, as appropriate.

Verifications shall ensure that the expenditure declared is real, that the products or services have been delivered in accordance with the approval decision, that the applications for reimbursement by the beneficiary are correct and that the projects and expenditure comply with Community and national rules. They shall include procedures to avoid double-financing of expenditure with other Community or national schemes and with other programming periods.

Verifications shall include the following procedures:

- (a) administrative verifications in respect of each application for reimbursement by beneficiaries;
- (b) on-the-spot verifications of individual projects".

The European Commission further stresses that:

"Member States when they designate the controllers, also ensure that they have means of action to obtain the results in the expected time and quality

⁶ The Audit Authority of the URBACT II Programme is the French 'Commission Interministérielle de Coordination des Contrôles' (CICC) – for additional information, refer to sections 3 and 4 of fact-sheet 6c of the URBACT II Programme manual

through, for instance, a formal contractual arrangement, or a paragraph in a Memorandum of understanding...”

The main aim of the certification is therefore to provide a guarantee for the Member/Partner State itself but as well to the Managing and Certifying Authorities (MA/CA) that projects costs are accounted for and claimed by in accordance and in compliance with the legal and financial provisions of the EC Regulations, the URBACT II rules, the Subsidy Contract and the Joint Convention⁷. Moreover, it must ensure that the project accounts comply as well with the legal and financial obligations of each organisation involved in the project, according to both its own legal status and the relevant national legislation.

1.5 Specificities of the URBACT II Programme

A series of specific aspects must be taken into account for a successful implementation of first level control in the framework of the URBACT II Programme.

In URBACT II the majority of projects will directly involve public or public equivalent bodies, thus limiting the risk that sums unduly paid cannot be recovered. In addition, many of these public or public equivalent bodies have an internal audit service/department or are regularly audited by an external public auditor or private audit firm.

Due to the nature of the projects financed by the URBACT II Programme, the categories of expenditure to be verified are limited to administration, staff, meetings, travel and subsistence, communication and external expertise. Investment is only done on a very small scale and usually limited to small equipment.

According to Article 16 of Regulation (EC) No. 1080/2006, it is the Member States responsibility to set up their own control system. However, the systems will not exist independent of each other. URBACT II is a programme which involves 27 Member States plus Norway and Switzerland and applies the Lead Partner principle. In the preparation of the progress report, the Lead Partner of a project will depend on its partners from other Member/Partner State. This system only works

- if the documentation provided by the partners is homogeneous and full,
- if partners are able to report regularly and in time.

Flexible and efficient systems with no control delays at the level of all Member/Partner States will be a key factor for a successful financial performance of projects and of the URBACT II programme as a whole.

⁷ Partnership agreement signed between Lead Partner and Project Partners.

2. First level controllers' designation

As already mentioned above, according to Article 16 of Regulation (EC) No. 1080/2006, it is the Member State responsibility to set up its own control system.

Even if the responsibilities *vis à vis* projects, Programme's institutions and European Commission are the same for all Member States, the procedures for the approval of first level controllers differ between centralized and decentralized systems.

2.1 Role of the Central Approbation Body in decentralised systems

The role of the Central Approbation Body (CAB) in decentralized system is crucial. The CAB receives the proposals of a partner based in its territory asking for the approval of a controller. Consequently, the CAB has the responsibility to:

- check that the proposed controller fulfils all the requirements (cf. *Checklist with criteria for the approbation of first level controllers*);
- if all the requirements as described in the checklist are fulfilled, officially approve the proposed controller (cf. *Approbation letter first level controller for URBACT II Programme*)
- ensure to the URBACT II MA/US that the controls undertaken by the approved controllers comply with a satisfactory quality level.

For the approval of controllers by Member/Partner States a specific checklist and approbation letter have been specifically elaborated by the URBACT Secretariat available in the URBACT II web-site at the following link:

<http://urbact.eu/documentation/projects-documents/finance-and-control.html>

The checklist has to be filled in only if the controlled partner is located in a country with decentralized first level control system. In this case the partners need to select and propose their controller to the CAB.

The checklist has to be filled in, signed and stamped by the partner and by the proposed controller. The co-signed document has then to be submitted to the CAB, who has the duty to check if the controller fulfils the URBACT II and national requirements for being designated.

Finally, if the proposed controller complies with the URBACT II and national requirements, the CAB shall approve him/her. Evidence of the approval must be sent by the CAB to the URBACT II MA/US and to the partner concerned using the approbation letter's template provided by the Secretariat. Copy of the checklist shall also be sent by the CAB to the URBACT II MA/US in annex to the approbation letter.

All bodies involved - partners, CAB, Managing Authority - are required to keep copies of the checklists and approbation letters for their audit trails.

2.2 Qualifications of Controllers

Despite the type of systems that each Member States has decided to implement, controllers, in order to check and validate the expenditure, must be properly qualified. More specifically a controller must:

- hold a function totally independent and separated from other national bodies having responsibilities for the management and control of project(s) and/or the programme.
- be professionally independent from the unit dealing with the activities and finances (accounting, salary calculations and payment orders). This implies that the controller must not be involved in project preparation, project activities (incl. signing the project report as project partner), project finances (project accounting and payment orders).
- hold professional skills and experience in international and national auditing standards and accountancy in general.
- hold professional skills and experience in the field of control of projects co-financed by EU-funds (Structural Funds and ERDF in particular).
- hold knowledge of the URBACT II Programme manual, Operational Programme, control guidelines and any document that the Programme might consider binding for the projects.
- hold sufficient knowledge of the English language, in order to read, understand all relevant documents and communicate with other actors.
- ensure that his/her work is properly documented and accessible to guarantee an efficient review of the work in a way that any other controller/auditor can perform again the control with the only use of the control file.
- ensure that the work will be carried out within 2 months - in the case of a Project Partner - or 3 months - in the case of a Lead Partner - after the end of each reporting period. Only in the case of the extraordinary certification session of November each year, the time at disposal for the implementation of first level control of partners and lead partners and to produce and submit a signed certificate of expenditure shall be one month.

All Member and Partner States shall keep in mind these requirements when designating the first level controllers. More particularly in decentralised systems when the first level controller is proposed by the partner (LP or PP), the minimum requirements included in the designation checklist shall be even more carefully checked by the CAB.

2.3 Specific controller independency requirements in decentralised systems

In the case of a decentralised control system, additional requirements have been set up at programme level. These additional requirements vary depending on if the controller is external or internal.

If the controller is external⁸:

⁸ These requirements applies as well to centralized system in which the national authority has designated an external controller to implement the controls under its direct responsibility.

- He/she can be either a private or a public controller.
- He/she must be registered as a member of a professional organisation (this requirement is mandatory for private external controllers).
- He/she must perform his/her tasks according to a professional code of conduct or other rules defining his/her function and independence.
- There must be a basis for the controller to carry out the control (e.g. a service contract, a mandate, or contracting document).
- All experts working as tax advisors or financial/accounting advisors (or similar categories of advisors) cannot be considered qualified controllers, since the same term that is defining their status, "advisors", is not providing assurance of their independence from the controlled organization.

If the controller is internal:

He/She must be independent both from the unit involved in the project management and from the unit involved in activities implementation⁹.. Please note that an organizational chart should be provided to give evidence of compliance with the above requirements.

Additionally:

- The controller's independence must be regulated by law or local or internal rules in the country where the controlled partner is located (e.g. rules regarding internal controller's function, code of conduct).
-
- There are no relationships by blood or marriage between the controller and employees/managers of the unit in charge of project activities and finance.
- The controller must be independent of mind, meaning that he/she doesn't feel dependent on the entity/unit to be controlled.

⁹ European Commission recommendation on statutory auditors' independence in the EU: a set of fundamental principles according to 2002/590/EC; International standard on quality control N°1 (IFAC); Code of ethics of the INTOSAI, Chapter II-2.2. Standards with Ethical significance.

3. Reporting procedures for Project Partners and Lead Partners

In order to ensure that information is reported consistently and correctly, the reporting procedure should follow these steps:

1. Accounting of expenditure in PRESAGE-CTE (by partners and Lead Partner)
2. Control and certification of eligible expenditure through PRESAGE-CTE (by first level controllers of partners and Lead Partner)
3. Production of the project payment claim (by the Lead Partner)
4. Production of the project's progress report (by the Lead Partner)
5. Submission of all reporting documents to the Managing Authority/Secretariat (by the Lead Partner)

3.1 Accounting of expenditure in PRESAGE-CTE

All thematic network and working groups are made up of two phases:

- Phase I (development phase): 4 months for a working group and 6 months for a thematic network;
- Phase II (implementation phase): up to 20 months for a working group and up to 30 months for a thematic network.

During the implementation phase (phase II), the certificates and statements of expenditure and the payment claim have to be filled in electronically, printed, signed and sent to the Secretariat within three months after the end of the reporting period i.e:

- within 30 September of year N for the expenditure paid before 30 June of year N
- within 31 March of year N+1 for the expenditure paid before 31 December of year N

In addition, an extra claim round is possible i.e:

- within the 31 November of year N for the expenditure paid before 31 October of year N

Exceptionally, only for the project's development phase (phase I), the reporting period shall be unique and shall cover the entire duration of phase I (plus the months spent on the closure). The certificates and statements of expenditure and the payment claim for phase I shall be submitted within three months from the end of phase I, unless differently decided by the Monitoring Committee (e.g. in the case of a thematic network, phase I lasts 6 months and the documents shall be submitted within three months after the six-month phase).

The accounting and certification of expenditures shall be done through PRESAGE-CTE.

URBACT II projects have normally chosen between three types of financial management system (further information is available in fact-sheet 6b, section 7 of the URBACT II Programme manual):

- Centralised financial management
- Decentralised financial management
- Mixed financial management

According to the type of financial management system set up by a project, the accounting of the expenditure in PRESAGE-CTE may differ.

In case of a decentralised or mixed financial management system, each Project Partner, Lead Partner and first level controller shall be provided by the Secretariat with personal login and passwords to have access to the system. Additional details on the procedures to obtain the login and password have been communicated by the URBACT Secretariat.

Each Partner and Lead Partner shall enter into PRESAGE-CTE the expenditures paid by its own institution. All expenditures entered into PRESAGE-CTE must have been paid for project activities and be supported by all the required documents. Particularly, expenditure can only be accounted in PRESAGE-CTE if the following principles are fulfilled:

- The calculation is based on actual costs;
- The costs are definitely borne by the Partner/Lead Partner's body and would not have arisen without the project;
- The expenditure has actually been paid out. Expenditure is considered to be paid when amount is debited from the Partner/Lead Partner's institution's bank account. The payment is usually proven by the bank statements. The date when the invoice was issued, recorded or booked in the accounting system does not count as payment date;
- The expenditure is directly linked to the project.

Generally speaking, the accounting process in PRESAGE-CTE can be done regardless the deadlines of the six-months reporting period. Nevertheless, the production of the certificate and statement of expenditure for each reporting period shall consider only the expenditure actually paid by the end of the reporting period concerned.

During the implementation phase (phase II), if some expenditure actually paid during a given reporting period will not be certified in time (for instance, because the controller asks for more information about the expenditure to be certified), that expenditure can be included in the claim of the following reporting period.

Considering that the project's development phase (phase I) consists in a single reporting period, all the expenditure incurred for the development phase shall be certified and declared at the end of phase I.

When some new expenditure has been entered in PRESAGE-CTE, the Lead Partner shall validate it. Once the expenditure is accounted in PRESAGE-CTE, the Partner shall inform the Lead Partner about it and ask for a validation from its side. The Lead Partner shall check the new expenditure in PRESAGE-CTE before

giving its validation¹⁰. The Lead Partner has the right to require additional information or to ask for some corrections. After the validation by the Lead Partner, the expenditure can be controlled by the Partner's first level controller.

In case of a centralised financial management system, 100% of the expenditure shall be managed, certified and claimed at the level of the Lead Partner.

Only the Lead Partner and its first level controller shall be provided by the Secretariat with personal logins and passwords to have access to the PRESAGE-CTE system.

3.1.1 Accounting rules

The accounting of the expenditure by Project Partners and Lead Partner shall be made in EUR. If the project activities imply that some expenditure should be paid in a different currency, the Partner's institution accounting the expenditure shall convert the expenditure into EUR using the monthly accounting exchange rate of the Commission in the month during which the expenditure has been paid, according to article 81 of Regulation (EC) 1083/2006 (keeping in mind that expenditure is considered to be paid when amount is debited from the partner institution's bank account).

The official EC rate is published electronically each month at:

<http://ec.europa.eu/budget/inforeuro/index.cfm?Language=en>

The Lead Partner and the Project Partners must ensure that all accounting documentation related to the project is available and filed separately. It is the Lead Partner's responsibility to ensure an adequate audit trail which implies that the Lead Partner has an overview of

who paid
what was paid and
who verified
where the related documents are stored.

The Lead Partner must ensure that all partners store the documents related to the project in a safe and orderly manner at least until 31 December 2020 (i.e. a period of three years following the closure of the programme) if there are not national rules that require an even longer archiving period. The documents are archived either as originals or as certified copies (in compliance with national regulations).

3.2 Control and certification of expenditure

Only the expenditure that has been validated by the Lead Partner can be controlled by the first level controller of the Project Partner. The certification of the expenditure shall be done through PRESAGE-CTE respecting the fixed deadline for each reporting period. The expenditure must be certified only by the

¹⁰ NB: The term "validation" is different from the term "certification". The Lead Partner is not required to check the eligibility of the expenditure. Giving its validation on the expenditure of a partner, the Lead Partner ensures that the expenditure has been accounted correctly (e.g. the expenditure has been accounted in the correct budget category and budget line, do not exceed the forecasted budget for a given action, etc.),

first level controller officially designated and approved by the competent national authority (according to Article 16 of Regulation (EC) 1080/2006).

The procedure for the certification of expenditure is outlined in the guidelines for the use of PRESAGE-CTE (cf. Annex 1, *informal guidance for the certification of expenditure in PRESAGE-CTE*, available also on the URBACT II web-site at the following link: <http://urbact.eu/documentation/projects-documents/finance-and-control.html>).

In addition, the Partners/Lead Partner's first level controller has to check the eligibility of the expenditure taking into consideration the accounting system, the compliance with the project budget, the eligibility rules, the internal control system, the respect of national and community rules especially with regards to information and publicity, public procurement, equal opportunities and protection of environment by filling in a checklist in annex to the certificate and statement of expenditure, using the official model available in PRESAGE-CTE.

This checklist shall aim at assisting the controllers during the implementation of the first level control and should be used as a tool to check the most important issues about eligibility and to outline any comment and remark which might be relevant. The checklist, together with the comments outlined in PRESAGE-CTE at the level of each item of expenditure certified, shall be considered as a report on the control done by the first level controllers.

The signed certificates and statements of expenditure produced by the Partner's first level controllers shall be sent to the Lead Partner together with the inputs for the progress report. These documents shall be sent to the Lead Partner within 2 months after the end of each six-months reporting period (as recommended by the Secretariat. However, the mentioned period of 2 months may differ according to the internal deadlines agreed between the Lead Partner and Project Partners in the Joint Convention). Only for the extra-ordinary session of certification of expenditure scheduled for November of each year, the partners shall submit to the Lead Partner their certificates within 2 weeks after the end of the extra claim period (i.e. two weeks after 31 October). In the extra claim period, no progress report is required.

Within 3 months after the end of each reporting period and within 1 month after the end of the extra claim period, the Lead Partner's first level controller shall produce its own certificate and statement of expenditure (including only the expenditure incurred by the Lead Partner). The Lead Partner shall also produce the unique project payment claim.

The signed certificates and statement of expenditure (including the annexed summary tables) and the global project payment claim shall be sent by the Lead Partner to the Secretariat together with the filled in and signed progress report (except for the extra claim round for which no Progress report has to be submitted). These documents shall be sent to the Secretariat within 3 months¹¹

¹¹ According to art. 16 of Regulation (EC) No 1080/2006, during the implementation of the first level control "each Member State shall ensure that the expenditure can be validated by the controllers [i.e. first level controller] within a period of three months". For this reason, each Member State and Partner State shall ensure that the expenditures can be validated by the first level controllers in a due time after receipt of documents in order to allow the Lead partner to submit the progress report within 3 months after the end of each reporting

after the end of each reporting period and within 1 month after the end of the extra claim period.

In order to have the ERDF refunded in a due time, the Lead Partner shall produce and submit the above mentioned documents and reports within the fixed deadlines and using the format established by the Secretariat. If a document is submitted in a different format (word, excel, etc) than the one established by the Programme, the Lead Partner is obliged to re-submit the progress report in the correct format. Any infraction in terms of timing and format used for the submission of the progress reports shall represent a source of delay in the refunding procedures.

In addition, final ERDF payment is subjected to the submission of closure documents:

- Final Match Funding Sheet;
- Final Administrative closure report

using the format established by the Secretariat.

The Match Funding Sheet shall concern only the Lead Partners and Project Partners co-financing contributions without considering the ERDF. The Lead Partners and Project Partners co-financing contributions are those mentioned in table 1.1 - FINANCIAL CONTRIBUTION BY PARTNERS AND SOURCES (in €) - of the budget of the Declaration of Interest (phase I)/ Final Application (phase II), and are supported by the letters of commitment signed by each Project Partner and Lead Partner.

The Final Match Funding Sheet must be filled in and signed by the Lead Partner. The document must also be co-signed by the First Level Controller of the Lead Partner.

This document must be sent in original and signed paper version to the URBACT Secretariat as part of the final documents required in the framework of the project's closure.

3.2.1 Documents making object of first level control

The following list gives an overview of the documents that should be available for financial control and retained at least until 31 December 2020:

- approved Declaration of Interest (for phase I) and its reprogrammed versions, if existing;
- approved Final Application (for phase II) and its reprogrammed versions, if existing;
- Subsidy Contract (one for phase I and one for phase II) and its amendments, if existing;

period and the Managing Authority (through the URBACT II Secretariat) to declare regularly expenditure to the Commission. For this purpose, the first level controllers of the Project Partners shall submit a signed certificate and statement of expenditure to the Lead Partner within 2 months after the end of each six-months reporting period.

- Joint Convention (one for the total phase I + phase II) and its amendments, if existing;
- Letters of Commitment (one for each PP and LP);
- Project audit trail (including modifications incurred during the project duration);
- relevant project correspondence (financial and contractual);
- Progress Reports (with activity and financial information);
- Signed certificates and statements of expenditure (including annexed summary tables and checklist for the implementation of first level control);
- Project payment claims;
- bank account statements proving the reception and the transfer of EU funds;
- original invoices;
- bank account statements / proof of payment for each invoice;
- staff costs: calculation of hourly rates, information on actual annual working hours, labour contracts, payroll documents and time records of personnel working for the project (including timesheets);
- list of subcontracts and copies of all contracts with external experts and/or service providers;
- calculation of administrative costs, proof and records of costs included in overheads;
- documents relating to public procurement, information and publicity (including the legal references);
- public procurement note, terms of reference, offers/quotes, order form, contracts;
- proofs for delivery of services and goods (studies, brochures, newsletters, minutes of meetings, translated letters, participants' list, travel tickets and boarding cards, etc.);
- record of assets, physical availability of equipment items purchased in the context of the project.

It must be possible to clearly identify which expenditure has been allocated and reported in the context of the project and to exclude expenditure that is reported twice (in two different budget categories, reporting periods, projects/funding schemes). This clear identification is usually ensured through

- the opening of a specific bank account for the project payments and/or
- the introduction of project specific cost-accounting codes to record project costs by budget category, component and payment date/reporting period in the accounting system and/or
- recording costs in expenditure lists by budget category, component and reporting period and/or
- noting the allocation (project title, budget category and additional comments) on the invoices.

3.2.2 On-the-spot verifications (according to Art. 60.b of Reg. (EC) 1083/2006 and Art. 13 of Reg. (EC) 1828/2006)

The first level controllers shall conduct on-the-spot checks at partner's level. These checks are recorded at the level of the Lead Partner for the project and consolidated by the URBACT Secretariat at the Programme level via the tri-annual Payment Claim (March, September and November). The Managing

Authority (through the URBACT Secretariat) shall thus be aware of any significant difference in method between Member States. Moreover the Secretariat will establish rules under which on-the-spot checks will be mandatory. Different scenarios are possible:

- (i) Immaterial operations (i.e. studies, brochures) for which verification of the reality of the deliverables is done on the basis of the documents themselves;
- (ii) Operations consisting of i.e. seminars, conference for which on-the-spot checks are not necessary but the verification of the reality of deliverables can be made on the basis of reports, lists of presence, transport tickets...;
- (iii) Operations consisting of investments. In this case, on-the-spot checks shall be mandatory when exceeding a certain threshold (to be determined);
- (iv) Eventually for the material operations under the threshold as well as immaterial operations, if administrative checks do not allow obtaining sufficient evidence, on-the-spot checks shall be required and made by the first level controller as stated in the URBACT II Description of Management and Control System.

This shall allow the homogeneity of the method across the participating Member States.

This shall be monitored at the URBACT Secretariat's level thanks to the information provided by the controllers in the payment claims (see above) and an annual reporting shall be made to the Audit Authority.

3.2.3 Role of the Project Partner financial controller

In case of a decentralised or mixed financial management system, all expenditure and activities must be controlled at a project partners' level by the appointed first level controllers.

First level controllers of the project partners will be appointed according to the provision set by the Member/ Partner State where the partners are located and must perform their controls on the basis of the first level controlling system established in that particular Member/ Partner State.

First level controllers at the project partner level are required to:

- Check and, if eligible, certify the expenditure incurred by the controlled project partner.
- Clearly identify in PRESAGE-CTE the amounts of non-eligible expenditure deducted from the partner's claim explaining the reason of non-eligibility (using the dedicated "comments" section for each item of expenditure)
- Clearly note in PRESAGE-CTE any additional comment and information which might be considered relevant in the framework of the first level control.
- Produce and sign the certificate and statement of expenditure concerning partner's declared expenditure Also the certificate shall be produced through PRESAGE-CTE

- Fill in the checklist for the implementation of first level control. This must be done in PRESAGE-CTE

As a general rule, a copy of the documents sent to the LP shall also be archived at the partner' premises to comply with the URBACT II audit trail's requirements.

3.2.4 Role of the Lead Partner financial controller

The first level controller of the Lead Partner must perform a control on the Lead Partner share of expenditure and on the Lead Partner activities according to the provisions set by the Member/Partner State where the Lead Partner is located.

It is a duty of the first level controller of the Lead Partner also to ensure that the Lead Partner itself checks the documents related to the controls performed at the Project Partners' level in order to satisfy itself of the soundness of the first level controls performed and to check their formal compliance¹².

First level controllers at the Lead Partner level are required to:

- Check and, if eligible, certify the expenditure incurred by the Lead Partner.
- Clearly identify in PRESAGE-CTE the amounts of non-eligible expenditure deducted from the Lead Partner's claim explaining the reason of non-eligibility (using the dedicated "comments" section for each item of expenditure)
- Clearly note in PRESAGE-CTE any additional comment and information which might be considered relevant in the framework of the first level control.
- Produce and sign the certificate and statement of expenditure concerning Lead Partner's declared expenditure (also the certificate shall be produced through PRESAGE-CTE).
- Fill in the checklist for the implementation of first level control (this must be done in PRESAGE-CTE)
- Validate and co-sign the contents of both the activity and financial component of the Progress Report (to be done in PRESAGE-CTE).

As a general rule, a copy of the documents sent to the URBACT Secretariat shall also be archived at the Lead Partner's premises to comply with the URBACT II audit trail's requirements.

¹² This requirement complies with the "Guidance document on management verifications to be carried out by Member States on operations co-financed by the Structural Funds for the 2007-2013 programming period" issued by the European Commission [COCOF 08/0020/04-EN, final version of 05/06/2008], that states as follows: *Under the ETC Objective, Article 20 of Regulation (EC) No 1080/2006 requires that a lead beneficiary be appointed for each operation. The lead beneficiary should ensure that both the expenditure presented by each of the beneficiaries participating in the operation has been incurred for the purpose of implementing the operation and corresponds to the activities agreed between those beneficiaries, and that the expenditure presented by each of the beneficiaries participating in the operation has been validated by the controllers. The scope of the work of the controller responsible for the lead beneficiary should therefore include a verification of how the lead beneficiary complies with these obligations* [cf. § 3.9. European territorial cooperation objective (ETC)]

3.3 Production of the project's payment claim

The Lead Partner shall also produce the unique project payment claim. The total amount of this unique project payment claim shall include the expenditure certified both by the Project Partners' first level controllers and by the Lead Partner's first level controller. Before including the Project Partners' expenditure in the unique project payment claim, the first level controller of the Lead Partner has the responsibility to verify that the duly signed certificates and statements of expenditures of the Project Partners have been received by the Lead Partner .

The unique project payment claim must be produced, printed and signed by the Lead Partner using the format available in PRESAGE-CTE.

In order to have the ERDF refunded in a due time the Lead Partner shall submit all certificates of expenditure, payment claim and progress reports (the latter is not necessary in the extraordinary session of November each year) within the fixed deadlines and using the format available in PRESAGE-CTE (unless differently required by the Secretariat itself in exceptional situations). If a document is submitted in a different format (word, excel, etc) than the one established by the Programme, the Lead Partner is obliged to re-submit the documents in the correct format . Any infraction in terms of timing and format used for the submission of the documents shall represent a source of delay in the refunding procedures.

3.4 Production of the project's progress report

During the life of a project, the reporting process is subdivided into six-month periods running from:

- January to June
- July to December

For each six-month period, one progress report has to be submitted to the URBACT Secretariat. This procedure shall be done by the Lead Partner directly on the web-based monitoring and accounting system PRESAGE-CTE (unless other procedures are exceptionally established by the Secretariat). The progress report has to be filled in electronically, printed, signed and sent to the Secretariat within three months after the end of the reporting period i.e.

- within the 30 September for the reporting period January to June
- within the 31 March for the reporting period July to December

Exceptionally, only for the project's development phase (phase I), the reporting period shall be unique and shall cover the entire duration of phase I (plus the months spent on the closure).. The progress report for phase I shall be submitted within three months from the end of phase I (e.g. in the case of a thematic network, phase I lasts 6 months and the unique progress report shall be submitted within three months after the six-month phase) unless differently decided by the Monitoring Committee.

The reporting procedure can be summarised as follows:

1. Each Project Partner sends to the Lead Partner the relevant information for the redaction of the progress report within the deadlines agreed with the Lead Partner (normally within 2 months after the end of the reporting period). This information shall concern both the activities undertaken and the financial management implemented by the partners.
2. On the basis of this information, the Lead Partner compiles the progress report for the whole project in PRESAGE-CTE (or in other format if required by the Secretariat itself in exceptional situations).
3. For the audit trail the Lead Partner shall retain the inputs to the progress report received from the Project Partners.
4. The progress report shall be printed, signed and sent to the Secretariat within the three months after the end of the reporting period. The progress report shall be signed by the representative of the Lead Partner (normally the project coordinator) and also by the first level controller of the Lead Partner.
5. The Secretariat shall check it and if necessary shall send clarification requests to the Lead Partner. Once all points have been clarified, the report is approved.

4. First Level Control quality checks and training

4.1 Training of first level controllers

The task of controlling project expenditure co-financed under URBACT II goes far beyond checking projects' accounts: it also involves a judgment on compliance with ERDF, national and programme rules. Therefore, first level controllers are expected to have additional skills such as a sufficient knowledge of English.

Due to the changes in procedures compared to the previous programming period, the training of controllers (both experienced and inexperienced) is essential for a successful first level control.

Training shall be provided at three levels: the Member State level, the Programme level and the controller level.

- **Member States** with a decentralised first level control system have been requested to provide training for their partners' first level controllers. Depending on the Member State, it will be provided in the form of seminars, extra guidance or networking. Sample checks shall also be organised at Member State level to ensure the quality of the first level control. For the national/regional specificities, contact should be made with the central approbation body.
Member States with a centralised first level control system are expected to provide training for their first level controller(s).
- The **Secretariat** will provide some training in the course of the programming period. After each round of project approval by the Monitoring Committee, a Lead Partner seminar will be organised where the specificities of the URBACT II Programme will be explained, as well as the first level control requirements (including practical session on PRESAGE-CTE).
- Regardless of the training a controller receives, they are ultimately responsible for gaining the knowledge needed to successfully complete their tasks. When deemed necessary, training can be found at the following organisations:
 - INTERACT (<http://www.interact-eu.net>)
 - European Institute for Public Administration (<http://www.eipa.nl/en>)
 - European Academy for Taxes, Economics & Law (<http://www.euroacad.eu>)

4.2 Quality checks

According to § 2.5 of the Memorandum of Understanding signed between each Member State, the Managing Authority and the Certifying Authority, Member States are required to implement quality checks on their national First Level Control systems during the life of the Programme.

Target, methodology and purposes of quality checks are different from those of first and second levels controls. Quality checks aim at verifying the correct functioning and implementation of the first level control systems set up by Member States. In this sense, quality checks shall verify if the controllers:

- use the Programme's, national and European guidelines on first level control,
- refer to the procedures established by the Programme,
- respect the project's and Programme's deadlines
- participate at the Programme's and national training sessions,
- etc.

In case Member States have opted for a decentralised control system, National Authorities responsible for first level financial control, and in charge of the approbation of the local first level controllers, shall be responsible for undertaking the necessary quality checks on the functioning of the decentralised control system set up in their respective Member State. The Managing Authority (through the URBACT Secretariat) shall reserve the right to participate to the quality checks.

In case of a centralised control system, the Managing Authority (through the URBACT II Secretariat) shall undertake the quality checks in association with the national representative in the Monitoring Committee, notwithstanding that the final responsibility of the functioning of the control system will remain with the Member State in question.

In the case of the country of the Managing Authority, the quality check shall be undertaken by the Certifying Authority with the support of the URBACT Secretariat.

The results of quality checks shall regularly be submitted to the Managing Authority/Secretariat.

All Member and Partner States ensure that the recommendations resulting from the quality checks will be followed and implemented. The Managing Authority reserves the right to temporarily withhold payments to those beneficiaries located in the Member States which quality checks have showed serious deficiencies.

5. PRESAGE-CTE

As described in section 1.4 of fact-sheet 6a of the URBACT II Programme manual, in order to ensure a high level of reliability and control on the expenditure declared to the Commission and on the administrative management of the projects, the URBACT II Operational Programme shall make use of the IT monitoring and management system PRESAGE-CTE.

This shall also be the URBACT II system for recording and storing in computerized form the accounting records of each project, and to ensure that data on implementation necessary for financial management, monitoring, verification, audits and evaluation is collected.

The Managing Authority (through the URBACT Secretariat) shall be in charge to provide projects' and programme's users with a personal login and password.

This system shall ensure the reliability of the information contained providing with access only the users officially designated by projects (i.e. personnel indicated in the Declaration of Interest/Final Application/audit trail document) and by Member States (responsible bodies for first and second level controls, Monitoring Committee representatives, national authorities).

ANNEXES

	The URBACT II Programme 2007 - 2013	Annex 1 Informal guidance for certification of expenditure in PRESAGE-CTE
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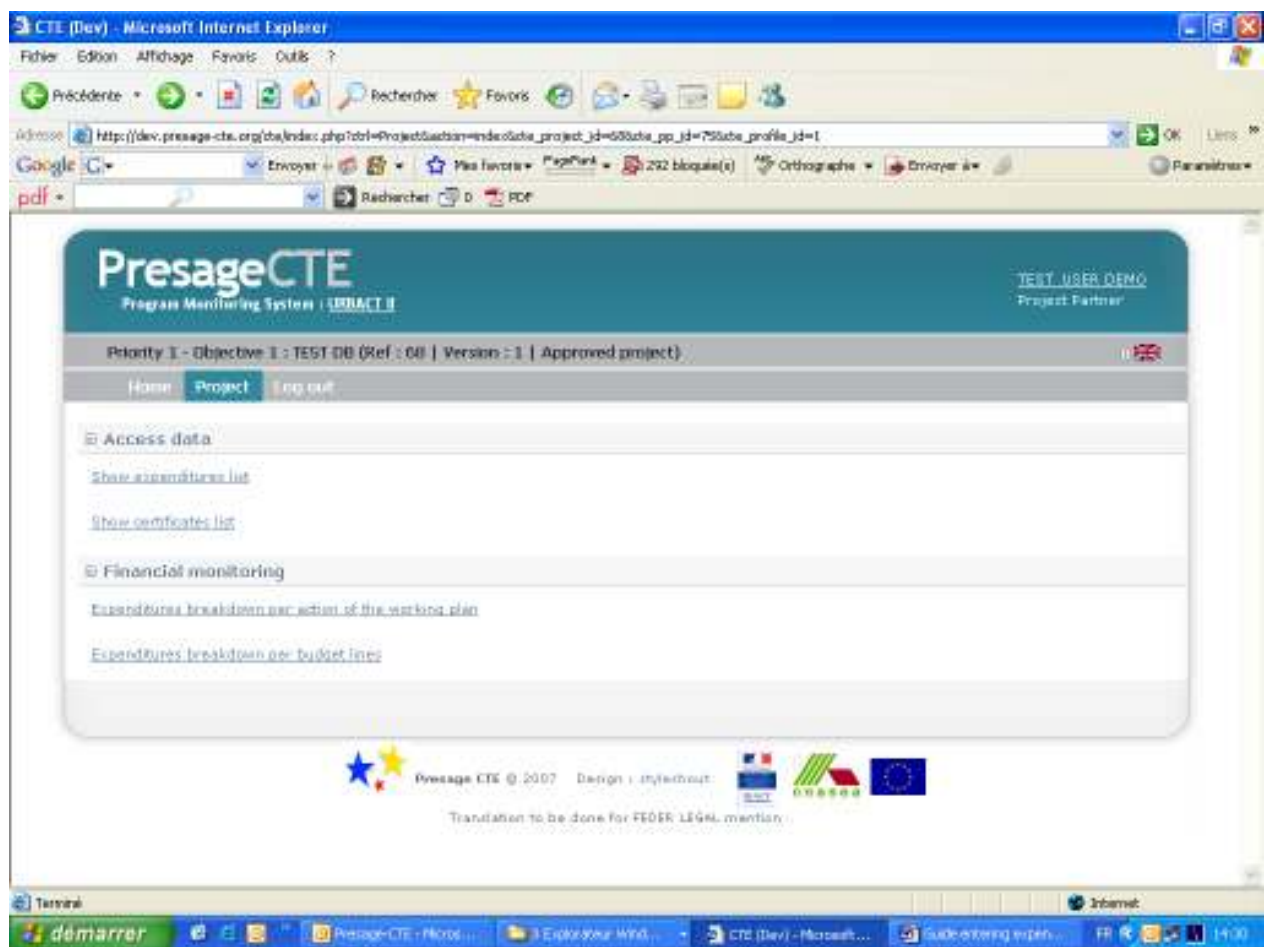
1. Introduction

The first step to certify the project partner's expenditure in PRESAGE-CTE consists in going into the following web-site:

<https://urbact.presage-cte.org>

You, as First Level Controller, shall enter your own login and password. Please use the login and password that the URBACT Secretariat has sent to you by email.

After having entered your login and password, the screen that you should see at this stage will be the following one:



Here you can visualize two different chapters "Access data" and "Financial monitoring". In order to control and certify the accounted expenditures, you need to enter into the first chapter. The second chapter will be filled in automatically by the system. .

2. Control and certification of expenditure

2.1 Show expenditures list

In chapter "Access data", if you select the first sub-chapter "Show expenditures list", you will get into the following screen:

The screenshot shows a web browser window with the following data:

Partner	Expenditure count	Total amount
City of Life	3	1,195.00 €
Total	3	1,195.00 €

Partner	Expenditure count	Total amount
City of Life	2	1,210.40 €
Total	2	0.40 €

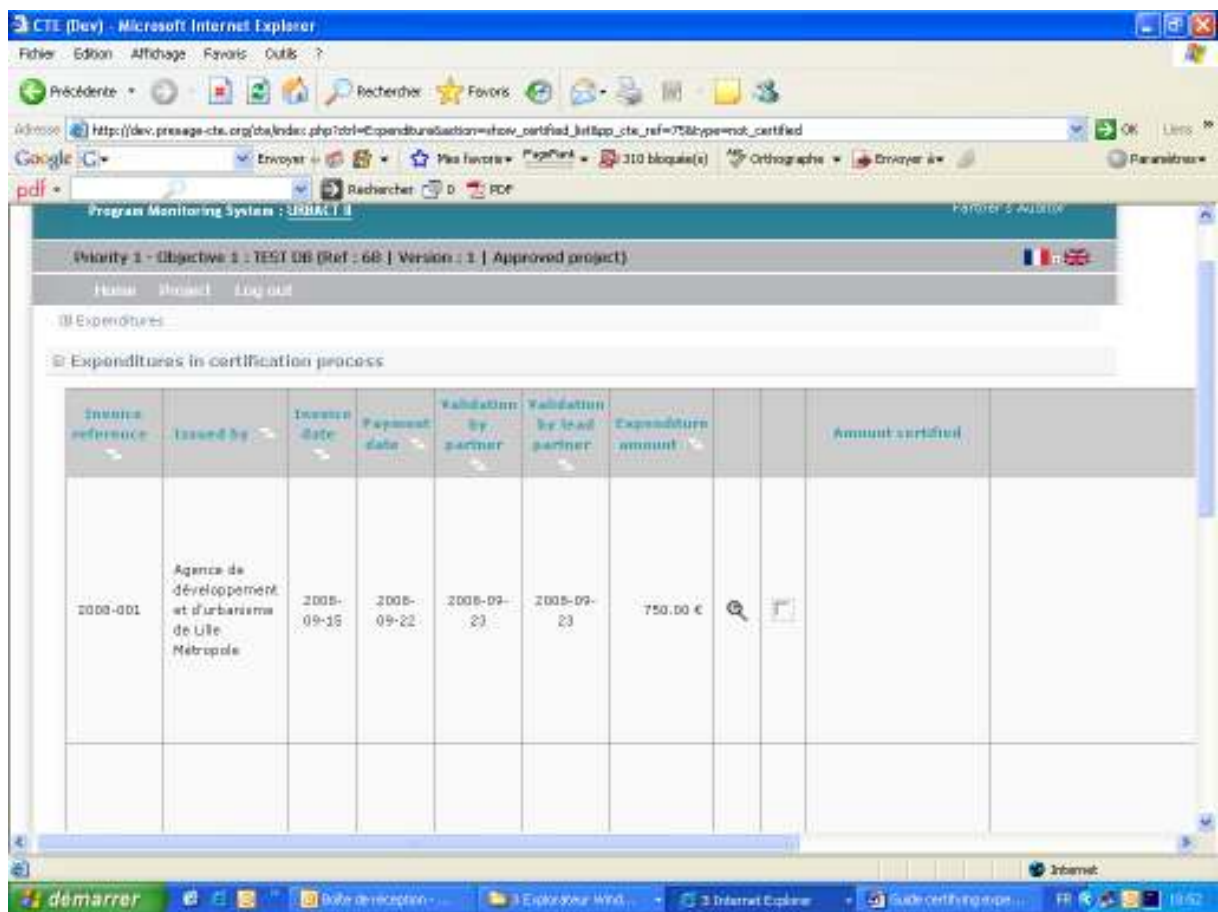
Partner	Expenditure count	Total amount
City of Life	3	1,900.40 €
Total	3	1,900.40 €


In order to control and certify the expenditure accounted by your project partner, you will have to deal with the section called "Expenditures in certification process". Please click on the magnifying glass:

2.2 Expenditures in certification process

Firstly, it is important to keep in mind that only the expenditures already validated by the Lead Partner, can be controlled and certified by the first level controller of a Project Partner.

Once you click on the magnifying glass of "expenditures in certification process", you will find the following screen:



The expenditures available in this section have been previously entered by your Project Partner on the basis of original invoices and supporting documents. If you move the mouse's cursor on the magnifying glass , of each item of expenditure, the expenditure's detail will be displayed on the left side of the screen.

Once you will have acquainted yourself with the expenditure concerned, you can select it. By ticking the box at the very right of the selected expenditure, two new columns - "Amount certified" and "Auditor's comment" - will appear as below:

Invoice reference	Invoice date	Payment date	Validation by partner	Validation by lead partner	Expenditure amount		Amount certified	Auditor's comment
2008-001	2008-09-15	2008-09-22	2008-09-23	2008-09-23	750.00 €	<input checked="" type="checkbox"/>	750.00	

2.3 Amount certified

Here you find the amount entered by the Partner and already validated by the Lead Partner. Please be aware that the validation by the Lead Partner does not mean a confirmation of the eligibility of the expenditure. The Lead Partner is asked to check if the expenditure has been inputted in the correct budget category and budget line and if it respects the budget limits, according with the project budget and the joint convention. During the validation process, the Lead Partner is also asked to ensure that the expenditures reported by the Partners are strictly connected to the project implementation.

Here, you are asked either to agree with that amount or to disagree with it.

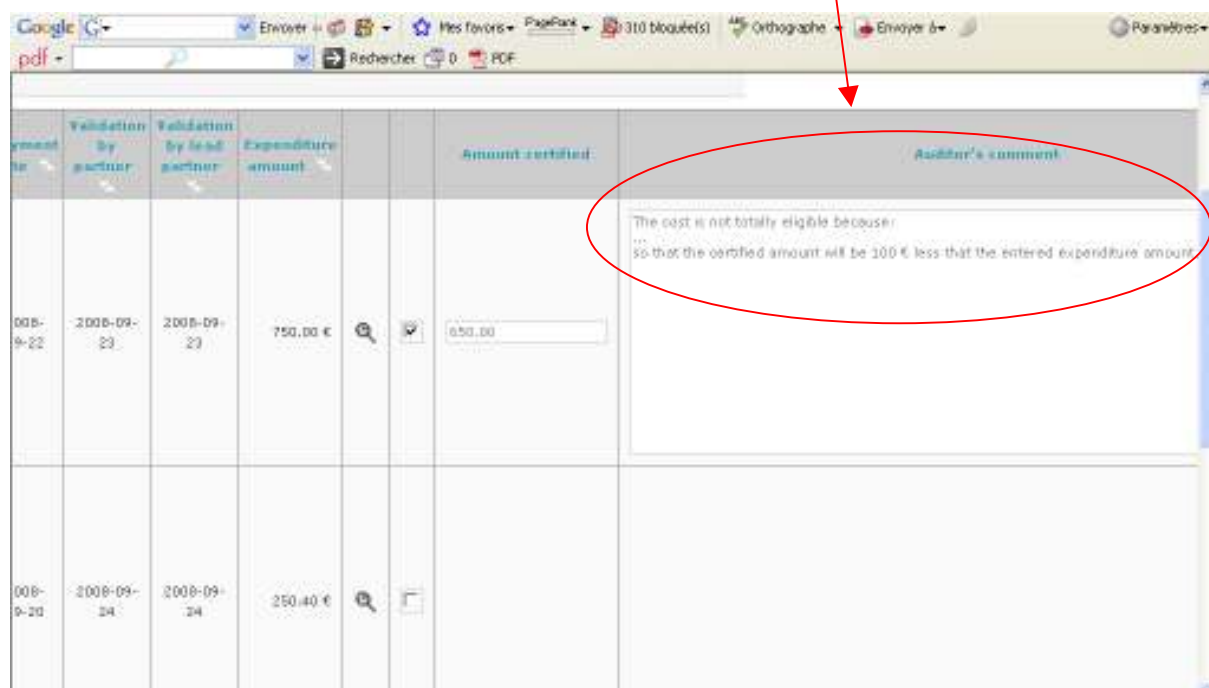
If you agree, then the amount of the selected expenditure can be fully certified. .

If you disagree, you will have the possibility to change the amount and to insert the new eligible amount that you intend to certify (for instance 650.00 € instead of 750.00 € if you consider that 100 € are not eligible):

2.4 Auditor's comment

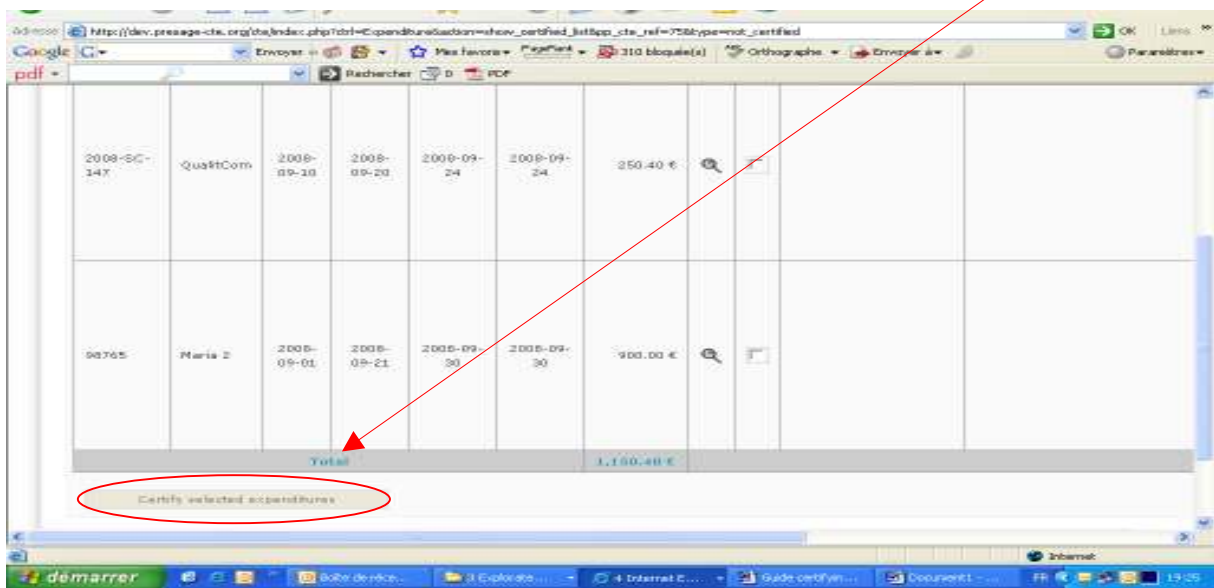
In this box, you are asked to insert your comment on the expenditure. Your comments will be rather essential to provide evidence of the control implemented by you. The "auditor's comment" will be considered as a sort of "report on first level control". For this reason, we highly recommend you to use this space and to report all information that you consider relevant.

In case you disagree with the amount of the expenditure and you decide to certify only part of it, please describe the "why" and the "how" of your decision (e.g. ineligibility of VAT, bad calculation method, etc.).



Expenditure amount	Amount certified	Auditor's comment
750.00 €	650.00	The cost is not totally eligible because: ... so that the certified amount will be 100 € less than the entered expenditure amount.
250.40 €		

Once you will have controlled each item of expenditure please click on the button "certify selected expenditures" at the bottom of the screen.

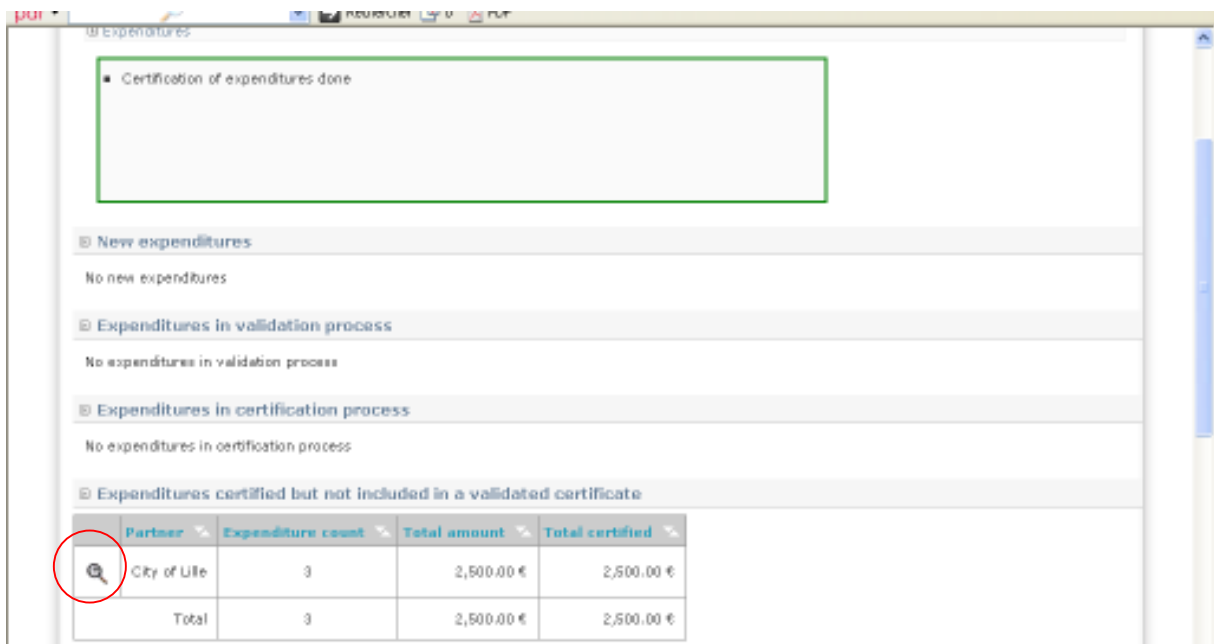


The certified expenditures are now saved in the chapter "Expenditures certified but not included in a validated certificate".

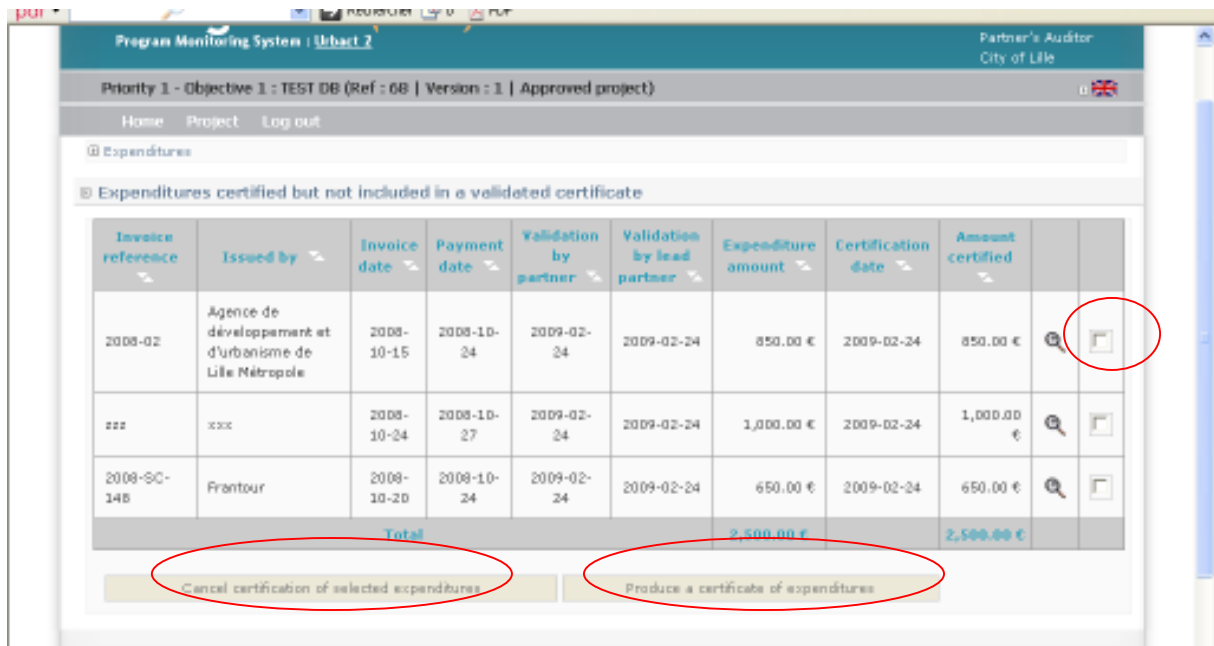
Once the certification of expenditures is done, you can go to the next chapter.

3. Expenditures certified but not included in a validated certificate

Please click on the magnifying glass at the left side of your Project Partners:



By clicking on the reading glass, you open a new window.



This screen displays the certified expenditures ready to be included in a certificate of expenditure.

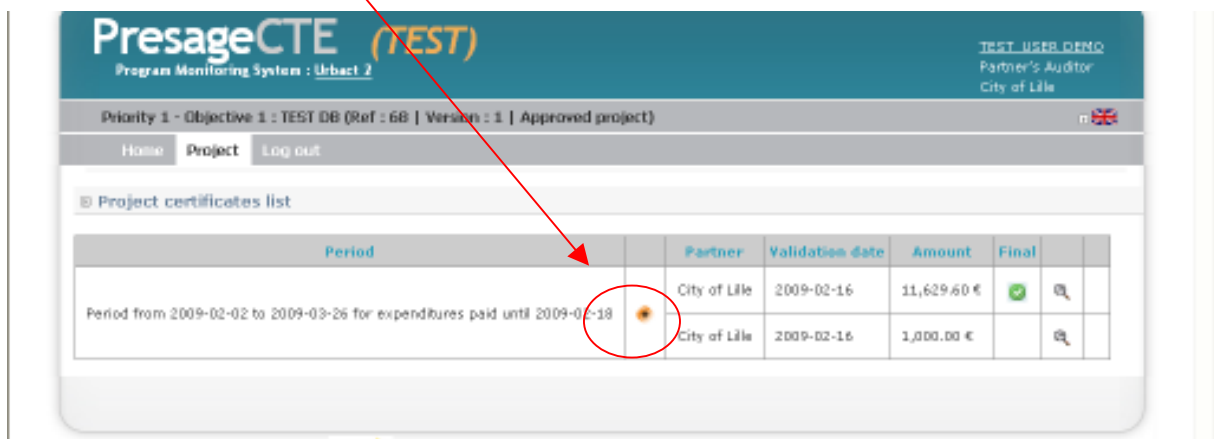
If, after the certification of expenditures, you discover a mistake or do not want these expenditures to be certified, you have the possibility to select expenditures concerned and to click on the button "cancel certification of selected expenditures" at the bottom of the screen. Expenditures concerned will come back to previous chapter "Expenditures in certification process".

Otherwise to finalize your certification, you must produce a certificate of expenditures.

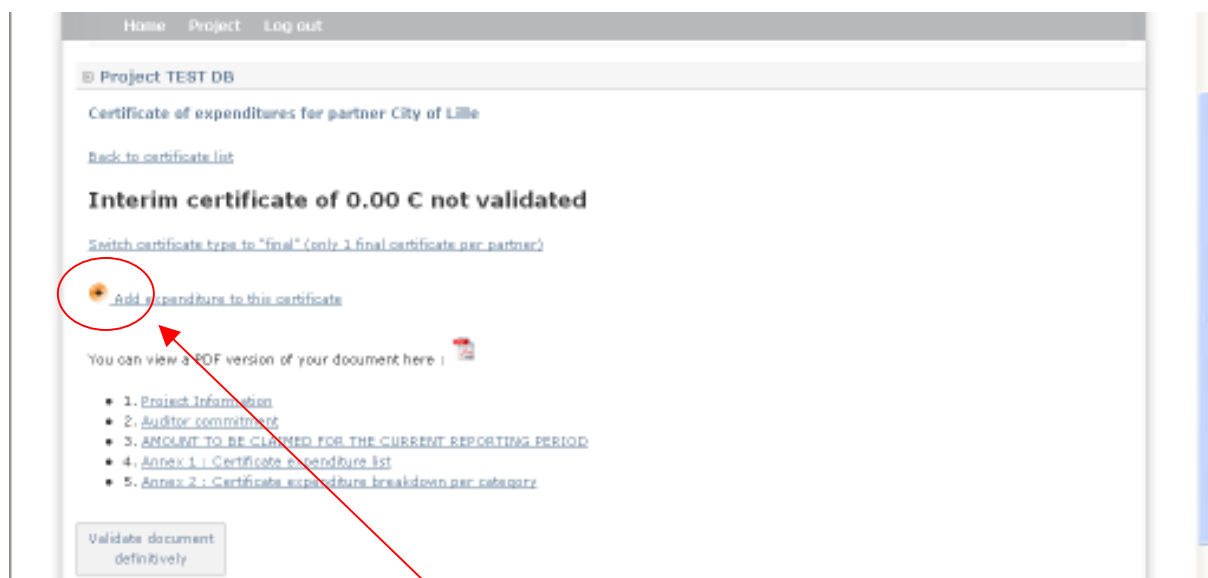
By ticking the button "Produce a certificate of expenditures" at the bottom of the screen, you open a new window as below:

4. Production of a certificate of expenditure

To produce a new certificate, you now have to click on the button "☐" in the middle of the screen.



You will find the following screen:



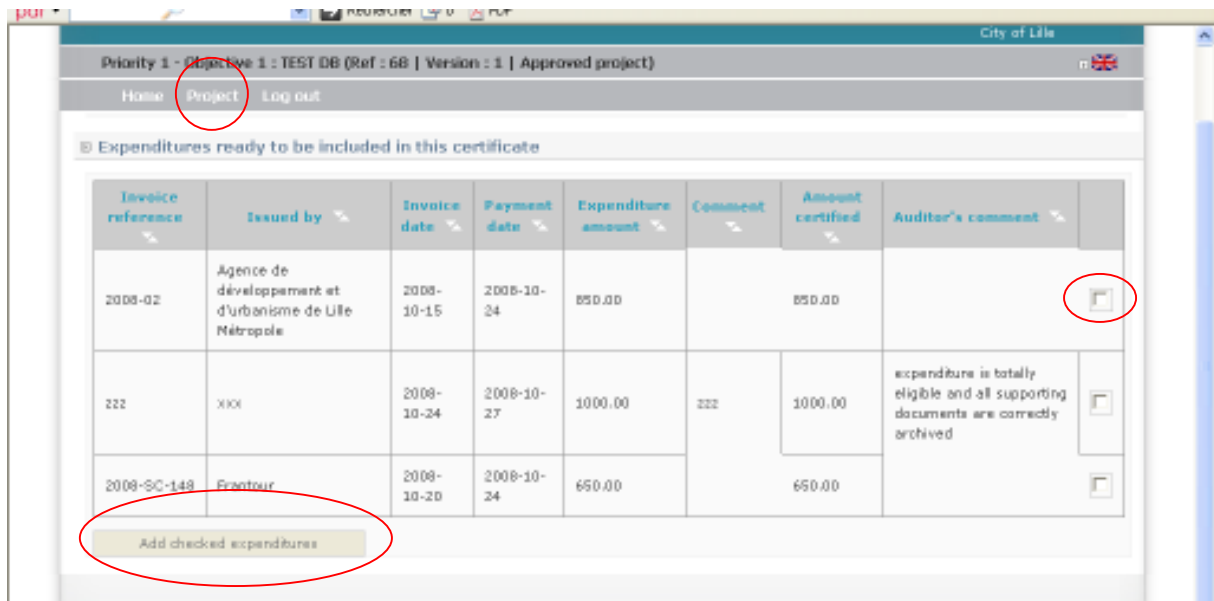
By default, you will find the title "**Interim certificate of 0.00 € not validated**".

If you are producing the first certificate of expenditure incurred during **phase II** – or the following certificates during the implementation phase (Phase II) of the project – you have to leave the status of the certificate as "**INTERIM**".

In the case of the final certificate for **Phase II** or the **unique certificate for Phase I** [considering that the project's development phase (phase I) consists in a single reporting period, all the expenditure incurred for the development phase shall be certified and declared at the end of phase I], you must switch certificate type to "**FINAL**".

Now click on the button "" to add expenditure to the certificate.

You find the list of certified expenditures ready to be included in the certificate as follows:

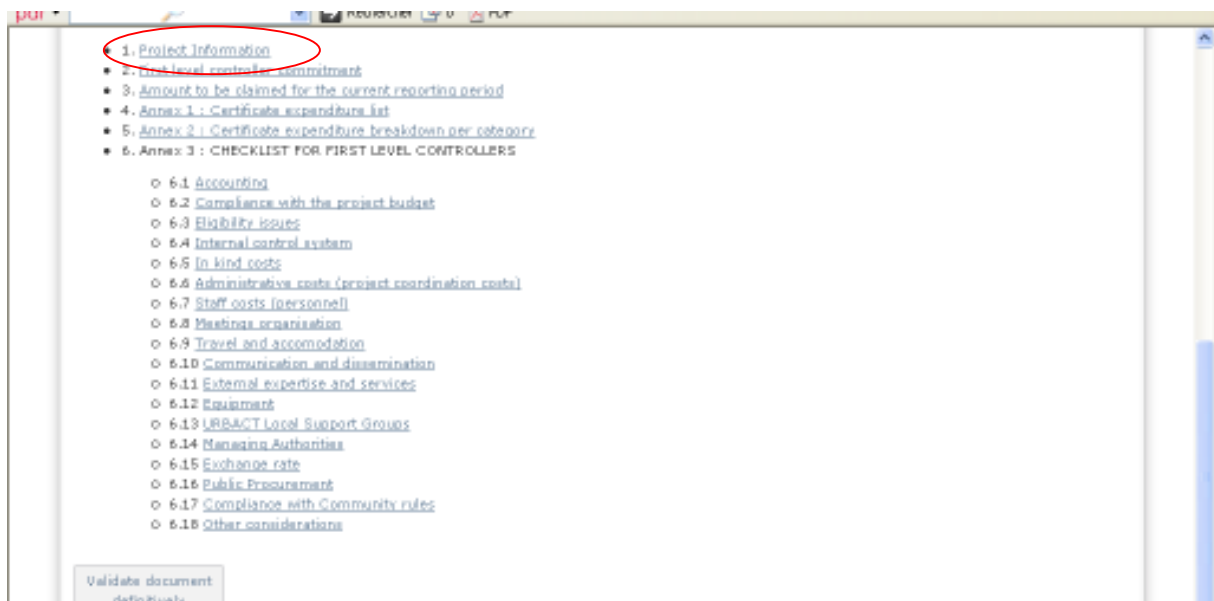


For all expenditures that you want to include in the certificate, tick the box at the very right of the selected expenditure.

Then, click on the button "add checked expenditures".

You go back to the main page for producing the certificate (clicking on "project" on the menu bar at the top of the page).

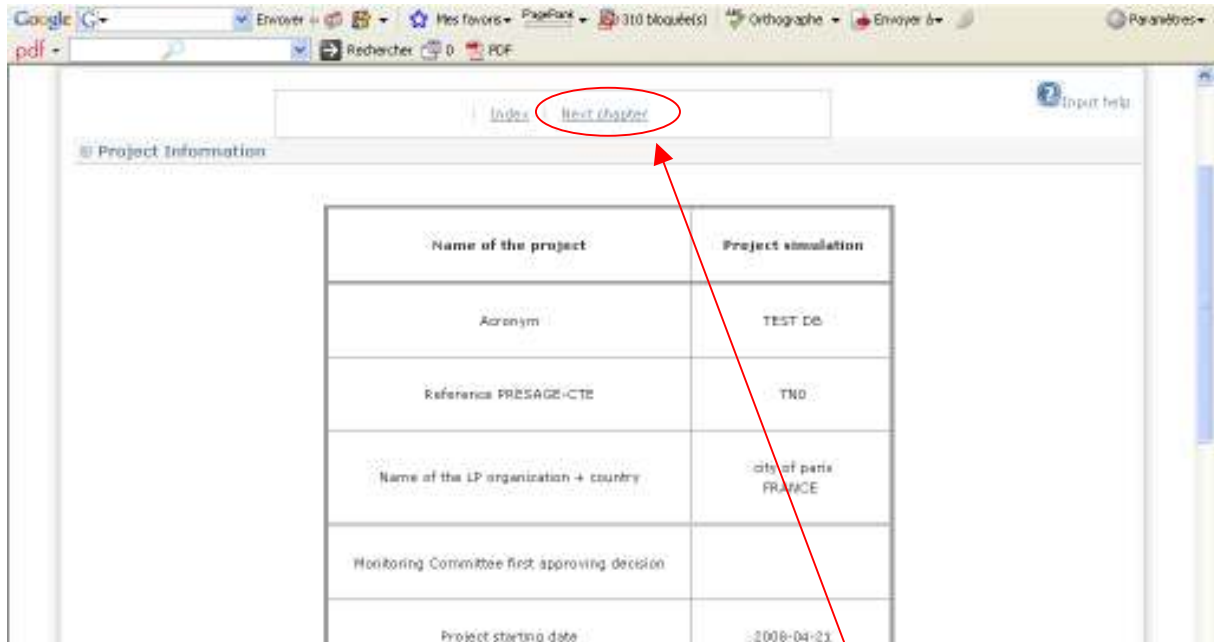
Expenditures have been now added to the certificate, which is now amounting the total of expenditures controlled and selected for the certificate. In the example, Interim certificate of 1,000.00 €.



A list of six chapters will be now available.

By going into the first one - "Project information" - you will open a new window as below:

4.1 Project information



Name of the project	Project simulation
Acronym	TEST DE
Reference PRESAGE-CTE	TND
Name of the LP organization + country	city of paris FRANCE
Monitoring Committee first approving decision	
Project starting date	2008-04-21

This section is filled-in automatically by the system.

On this screen, you can read basic Project information like the Project acronym, its PRESAGE-CTE reference, the name of the Lead Partner, the Project starting date, the Project ending date, the administrative closure date, etc. You can also find here information concerning the Project budget (total, ERDF, EX ANTE, Swiss and Norwegian funding as well as partners co-financing).

To go to the following chapter, click on the button "Next chapter".

4.2 First level controller commitment

The Certificate of expenditure must be produced and signed by the appointed First Level Controller of the Project Partner concerned. In the empty box to be filled in, make reference to the official document stating the approval of the first level controller by the competent national authority, according to Article 16 of Regulation (EC) 1080/2006.

The screenshot shows a web browser window titled 'PRESAGE CTE - Microsoft Internet Explorer'. The address bar shows the URL: https://urbact.presage-cte.org/index.php?ctrl=FormChapterSection=urberDua&chapter_id=437&chapter_type_id=16. The page title is 'First level controller commitment'. The form contains the following text:

I, the undersigned, M. test test, representing the first level controller designated by (*)

I hereby certify that all expenditure included in this statement complies with the criteria for eligibility of expenditure set out in Article 56 of Regulation (EC) No 1083/2006

I hereby also certify that all eligible expenditure included in this statement, representing the contributions of the Structural Funds and national public and/or private funds and amounts cumulatively to:

This certificate and statement of expenditure, broken down by category and budget line, is based on accounts provisionally/definitively closed on: 2009-03-31.

I also certify that the project is progressing in pursuance with the objectives laid down in the URBACT II Operational Programme and in accordance with Regulations (EC) No 1083/2006 and (EC) No 1080/2006.

(1) the expenditure declared complies with the applicable Community and national rules and has been paid in respect of a project selected for funding in accord with the applicable rules; (Public procurement rules);

Rules on the justification of advances in the framework of state aid under Article 87 of the Treaty by expenditure paid out by the beneficiary within a three years deadline;

(2) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents;

(3) the underlying transactions are lawful and comply with the rules and the procedures have been followed satisfactorily;

(4) the statement of expenditure takes account, where applicable, of any amounts recovered and of any interest received, and of revenue accruing from the project;

(5) the breakdown of expenditures is recorded in the on-line information system PRESAGE-CTE and is available to the relevant Commission departments on request.

In accordance with Article 90 of Regulation (EC) No 1083/2006, all files, documents and data about the project will be retained for audit purposes on customary data retention periods.

(*) : please make reference to the official document stating the approval of the first level controller by the competent national authority, according with Article 16 of Regulation (EC) No 1080/2006.

At the bottom of the form, there is a 'Save' button.

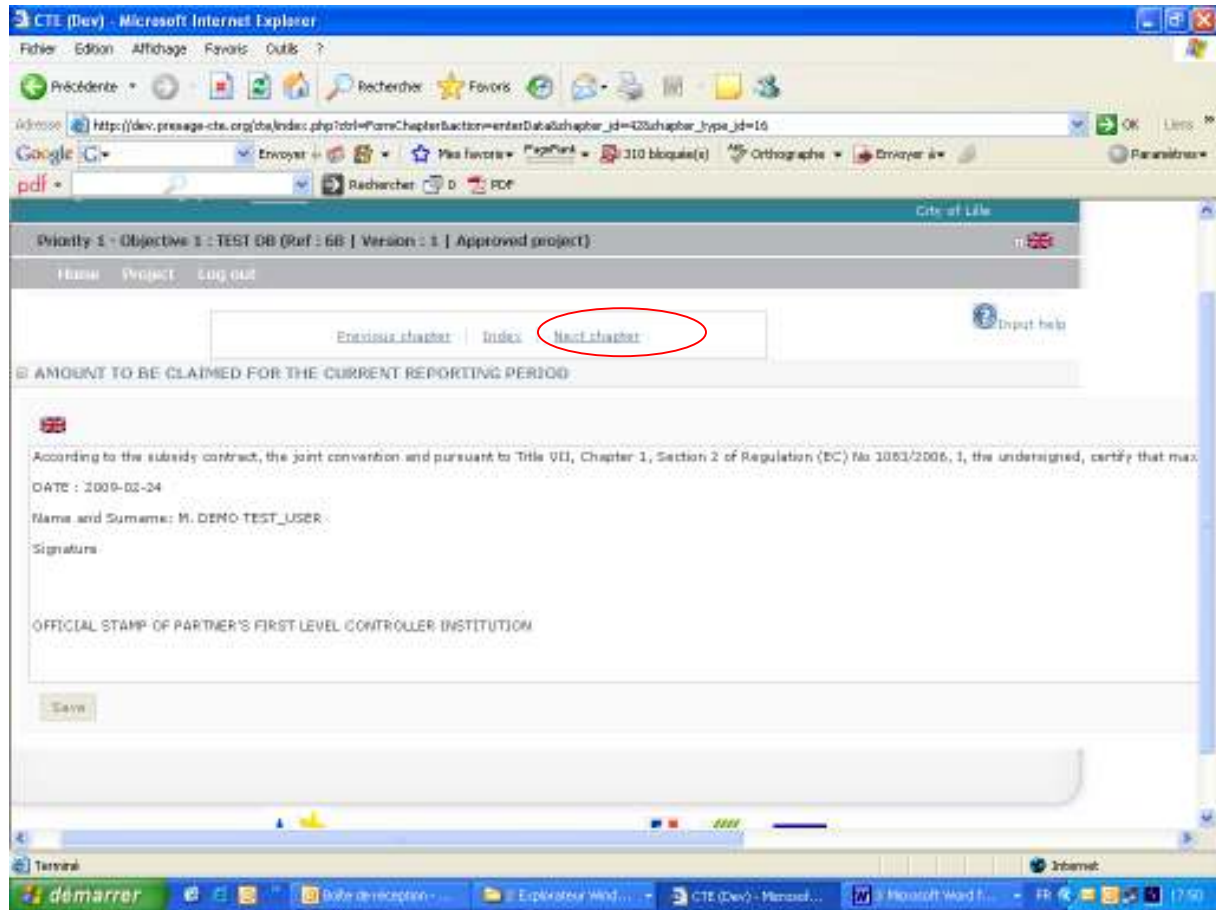
This chapter represents a statement of eligibility of the expenditure included in the certificate. The amount indicated here is the cumulative amount of all expenditure certified by the Project Partner concerned from the beginning of the project. The cumulative amount is automatically pre-filled by the PRESAGE-CTE system.

Save the information entered by clicking on the button "save" at the bottom of the screen.

Then go to the following chapter by clicking on the chapter 3 "Amount to be claimed for the current reporting period".

4.3 Amount to be claimed for the current reporting period

This chapter contains a certification of the interim amount on which maximum request for payment can be based at the end date of the current reporting period.



Click on the button "next chapter" to change section.

4.4 Annex 1: Certificate expenditure list

In this chapter, a list of the expenditure included in the current certificate is available.

In case you feel it necessary, you still do have the possibility to remove expenditure from the certificate.

If such is the case, select the expenditure that you want to remove by ticking the box at the very right of the expenditure concerned. Then click on the button "Remove selected expenditures from certificate" at the bottom of the screen.

Home Project Log out

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Annex 1 : Certificate expenditure list

Add expenditure to this certificate

Invoice reference	Issued by	Payment date	Expenditure's type	Invoice document type	Payment mode	Expenditure amount	Amount certified
2008-02	Agence de développement et d'urbanisme de Lille Métropole	2008-10-24	in cash	Certificate	Bank transfer	850.00 €	850.00 €
###	###	2008-10-27	in cash	Invoice	Bank transfer	1,000.00 €	1,000.00 €
2008-SC-148	Frantour	2008-10-24	in cash	Invoice	Bank transfer	650.00 €	650.00 €
Total						2,500.00 €	2,500.00 €

Remove selected expenditures from certificate

If you agree with the expenditure included in the certificate, you just need to go to the "next chapter".

4.5. Annex 2 : Certificate expenditure breakdown per category

This chapter is a table by budget categories summarizing :

- the total Project forecasted budget as from the last application form approved by the Monitoring Committee;
- the Partner's certified expenditure for the current reporting period;
- the Partner's cumulative certified expenditure from the start date of the project.

It allows you to check again that the expenditure amounts are correct and that Partner's expenditures are not exceeding the ceiling of the breakdown per budget category and of the total budget.

Home Project Log out

Previous chapter | Index | **Next chapter** | Input help

Annex 2 : Certificate expenditure breakdown per category

BUDGET CATEGORIES	FORECASTED BUDGET (as from the last application form approved by the MC)	CERTIFIED EXPENDITURE (for the reporting period concerned)	CERTIFIED EXPENDITURE (cumulative from the beginning of the project)
Project coordination			
admin costs	1,000.00 €	0.00 €	0.00 €
SUBTOTAL	1,000.00 €	0.00 €	0.00 €
Personnel			
Open cities communication officer	5,460.00 €	0.00 €	0.00 €
Open cities finance officer	5,460.00 €	1,000.00 €	1,000.00 €
Open cities manager	21,786.00 €	0.00 €	0.00 €
SUBTOTAL	32,706.00 €	1,000.00 €	1,000.00 €

Click on the button "next chapter" to change section.

4.6 Annex 3 : Checklist for first level controllers

This checklist shall aim at assisting the controllers during the implementation of the first level control and should be used as a tool to check the most important issues about eligibility and to outline any comment and remark which might be relevant. The checklist, together with the comments outlined in PRESAGE-CTE at the level of each item of expenditure certified, shall be considered as a report on the control done by the first level controllers.

This checklist contains 18 sections to be filled one after another.

You are now on the first section "Accounting". Please answer to each question with YES or NO. You are given the possibility to complete your answer by adding a "comment" at the right hand side of the screen, as below.

Question	YES	NO	Comment
1. Are specific accounts kept for the project or have other methods like specific cost centres in the accounting system been established which allow to identify the costs allocated to the project and to provide a computerised list of declared expenditure?	<input checked="" type="radio"/>	<input type="radio"/>	Specific accounts are kept for the project. The Partner's accounts have been recorded with an internal reference: xxx/001
2. Are the amounts paid accurately recorded in the accounting system?	<input type="radio"/>	<input checked="" type="radio"/>	
3. Has each reported expenditure been supported by an invoice or an accounting document of equivalent probative value? Are the documents complete and accurate in content as well as in accounting terms?	<input type="radio"/>	<input checked="" type="radio"/>	

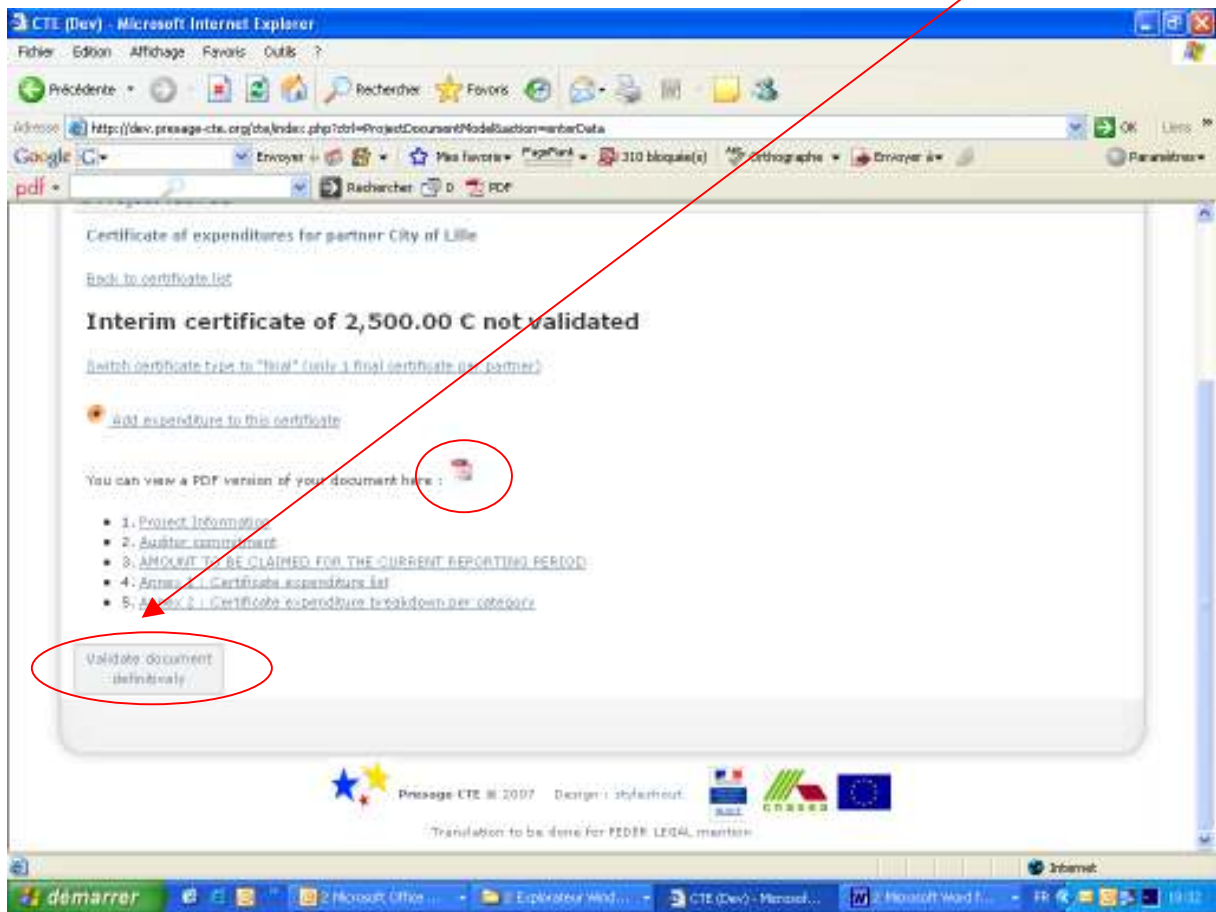
We strongly recommend you to fill in all the information required in each single section. **Please remember to click on the button "save" after having filled in each section.** This is important to ensure that data will be saved!

After having pressed the button "save" you are automatically transferred to the index page.

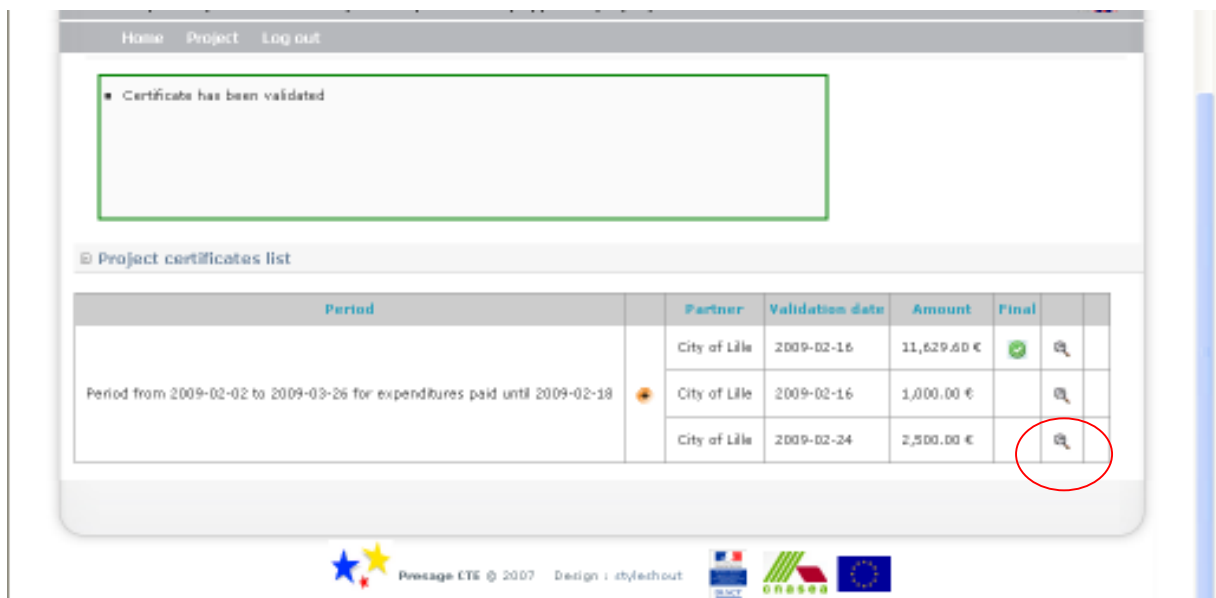
We suggest you to continue and follow vertically the index of 18 sections, one after the other. Every time you finish one section, you need to press the button "save" to ensure that information will be saved.

When you finish to go through the section of the checklist, you are finally in the index page. Before validating the certificate, you can view a PDF version of the document by clicking on the button "□".

You can now finalize and close the certification procedure by clicking on the button "definitively validate document" at the bottom of the screen.



Once you validate the certificate, the system will automatically transfer you to the certificate list.



Now, while putting on the at the very right of the current certificate, the certificate's details are displayed on a readonly version.

You can view the PDF version of the validated certificate by clicking on the icon .



The PDF document is open so as to enable you to print the certificate.

Once the certificate is printed, go to chapter 3 "Amount to be claimed for the current reporting period".

Please duly sign and stamp the document. For audit trail reasons, we recommend that each project partner keeps one original version of each certificate. Another original version shall be sent to the Lead Partner. The Lead Partner shall send all original certificates to the URBACT Secretariat in annex to the project Payment Claim. The Lead Partner is recommended to keep copies of the certificates received by Project Partners.

The certificate and statement of expenditure is now ready to be sent to the Lead Partner.

For additional assistance or information please do not hesitate to contact:

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**The URBACT II Programme
2007 - 2013**

Annex 2
Member States and
Partner States' first
level control systems

COUNTRY	TYPE OF SYSTEM
AUSTRIA	decentralised
BELGIUM –BRUSSELS CAPITAL REGION	decentralised
BELGIUM –FLANDERS REGION	decentralised
BELGIUM –WALLOON REGION	centralised
BULGARIA	centralised
CYPRUS	decentralised
CZECH REPUBLIC	centralised
DENMARK	decentralised
ESTONIA	centralised
FINLAND	decentralised
FRANCE	decentralised
GERMANY	decentralised
GREECE	centralised
HUNGARY	centralised
IRELAND	centralised
ITALY	decentralised
LATVIA	centralised
LITHUANIA	decentralised
LUXEMBOURG	centralised
MALTA	decentralised

NETHERLANDS	decentralised
NORWAY	decentralised
POLAND	centralised
PORTUGAL	decentralised
ROMANIA	centralised
SLOVAKIA	centralised
SLOVENIA	centralised
SPAIN	decentralised
SWEDEN	centralised
SWITZERLAND	centralised
UNITED KINGDOM	decentralised