Fact Sheet 22 - Reporting

	Valid from	Valid to	Main changes
Version 3	12.05.16		Clarified procedures for reports where some beneficiaries do not claim funding. Confirmed that over-reporting is permitted.
Version 2	20.10.15	….	Extension of organisations eligible to be Lead Beneficiary
Version 1	27.04.15	20.10.15	

Core message: There will be less reporting in the 2014-2020 programme in order to reduce the administrative burden on beneficiaries. Reporting requirements have however been tightened to ensure that all projects report regularly and that all reports are processed and paid within 90 days (provided that the European Commission has made the necessary funds available to the programme). This Fact Sheet covers the basic procedure.

Background

The purpose of this Fact Sheet is to give an overview of the procedures for reporting on activities and claiming funds. More detailed information on the procedures, documents, checklists, reporting forms etc. referred to in this fact sheet can be found in the First Level Control Manual and the Online Monitoring System.

Timing and number of reports

All projects must provide regular progress reports on activities every six months. At least once a year this must be accompanied by a statement of expenditure and request for payment. The Lead Beneficiary will receive a message from the programme when it is time to report. The first report will be requested no later than 12 months after the contract has been signed. After this reports will be requested every six months. It is possible that the project's final report at the end of project will cover a longer period than 6 months. If this is the case you will be informed by the Joint Secretariat.

Type and scope of reports

There are two kinds of progress reports. Every six months you will be asked to provide a **basic progress report**. For this report you need to provide a short summary of the project's achievements over the last six months together with facts and figures on progress towards work package targets.

Once a year you will have to provide a **full progress report**. This is the **basic report** plus some additional questions on the functioning of the partnership, how you have involved stakeholders etc. In summary, two progress reports are needed each year: One short (**basic report**) and one slightly longer which adds some questions to the basic report (**full progress report**).

The **final report** at the end of the project also requires different information and focuses on the overall achievements of the partnership over the whole project lifetime.

When you submit a **basic progress report** you may choose whether you submit a statement of expenditure and request for payment or not. You must always submit a statement of expenditure with every **full** and **final progress report** (Please see Fact Sheet 21 on Final Reporting).

Before they can be included in the statement of expenditure, all costs declared by all beneficiaries are subject to first level control – a check that the claim is correct and in line with all relevant rules. See Fact Sheet 24 on First Level Control for further information.

For an overview, please see the table below:

Type of Report	Frequency	Obligatory	Subject to FLC
Basic	Every 6 months	Yes	Yes/No[1]
Finance report with basic report	Every 6 months	No	Yes
Full	Once a year	Yes	Yes
Finance report with full report	Once a year	Yes	Yes
Final	Once	Yes	Yes
Finance report with final report	Once	Yes	Yes

Requirements for reporting

- Reports must be submitted online through the online monitoring system

[1] Yes, if you are also submitting a statement of expenditure and request for payment

- All sections of the report must be completed correctly before the form can be submitted.
- Every claim for payment should include every beneficiary in the project – even if no funding is claimed. Beneficiaries submitting a zero claim must enter this information in the Online Monitoring System and the Lead Beneficiary must explain why this has been done in the report. This is to prevent unexplained periods of inactivity which might impact overall project delivery. Prolonged periods with zero claims from a beneficiary may lead to a demand to report in order to avoid extended periods of expenditure without control.
- Projects must respect the deadlines for submitting reports. If a project is unable to meet a reporting deadline, the Lead Beneficiary **must** contact the Joint Secretariat as soon as possible to ask for approval to submit the report late. If a project does not meet the deadline and does not contact the Joint Secretariat, the report will be considered invalid.
- If a project does not report for one year, the project will be terminated and procedures will be initiated to reclaim all funding already paid out. Repeated failures to submit required reports will raise concerns about project management and may result in termination of the project.
- No beneficiary will ever be paid more than their approved budget for the project as a whole. It is, however, possible to submit claims for higher amounts provided that all of the additional expenditure also complies with all rules and regulations on eligibility.
- The First Level Control certificate must be filled out correctly and in full. An incomplete First Level Control Certificate will be rejected. (Please see Fact Sheet 24 on First Level Control)
- Each beneficiary's First Level Controller should maintain a record of all ineligible expenditure removed from the statement of expenditure and provide information on this in the first level control checklist including a clear statement of the amounts that have already been deducted and therefore fully resolved before submission of the report.

Division of work between Lead Beneficiary and other beneficiaries

Each beneficiary completes a progress report and, if relevant, statement of expenditure covering its own activities and costs. These documents are checked by the beneficiary's first level controller and then submitted to the Lead Beneficiary. The Lead Beneficiary compiles the accumulated progress report and statement of expenditure and submits the completed forms to the Joint Secretariat for review. The partnership may agree additional requirements and deadlines for reporting as part of the Partnership Agreement (see Fact Sheet 14). It is the responsibility of the Lead Beneficiary to ensure that the activity report provides a synthesis picture of project activities and achievements to date rather than a copy/paste of individual beneficiary's work.

The Lead Beneficiary's First Level Controller does not re-control the expenditure reported by the other beneficiaries. This expenditure has already been subject to control according to the standards established in each country and an additional check would be a duplication of effort. See Fact Sheet 13 on 'Roles and responsibilities in Project Partnerships' for details of the Lead Partner role and Fact Sheet 24 on First Level Control.

Processing of reports

Once a completed report is submitted, the Joint Secretariat has 90 days to process the report and make a payment to the Lead Beneficiary - subject to availability of funds from the European Commission. If additional information is required to complete processing of the report and/or make a payment, the 90 day period will be suspended until a satisfactory reply is received from the Lead Beneficiary.

Processing of activity reports focuses on whether the project is progressing in line with the application, whether there is progress on outputs and results, whether the report reflects the activities of the full partnership, and whether any problems are being dealt with satisfactorily. The Secretariat will also use the report to extract data and stories for programme reporting and communication.

If the information in the progress report is incomplete or unsatisfactory but is sufficient to approve the report and make a payment, the project will be asked to provide additional information at the time that the next report is submitted.

Processing of claims for payment focuses on whether first level control has been properly completed and documented, whether any necessary corrective action has been taken and documented, and whether the costs presented for payment after control comply with all rules and regulations. Details on the Joint Secretariat's processing of reports are provided in the programme's Handbook of Standard Procedures.

If questionable expenditure is identified, it will be deducted from the amount claimed until the issue is resolved. Where there are open issues, the project will be asked for clarification. If relevant, the Joint Secretariat may contact individual beneficiaries and/or their First Level Controller for verification of outstanding issues. If this cannot be provided within a period of 15 working days, payment of the amount concerned will be suspended until the issue has been satisfactorily resolved (typically with the next claim for payment).

When processing is complete, the Lead Beneficiary will receive a concluding letter on the progress report and the claim for expenditure (if relevant). These letters may contain additional conditions for the next report. Processing of the next report will not be completed until all open conditions have been met or a satisfactory explanation has been provided for any delays in meeting conditions.

Payment of the amount claimed by the project will be made to the Lead Beneficiary who should distribute it to the beneficiaries without delay[2]. In practice this means that the Lead Beneficiary

[2] In accordance with Common Provisions Regulation 1303/2013 §132

has maximum 15 days to transfer the relevant share of ERDF to each beneficiary within the partnership.

Retaining Documents

It is essential that all beneficiaries retain all of the supporting documentation for every report until five full years from 31 December of the year in which the final payment is made to the project[3] or for the ten years where any beneficiary has received state aid (see Fact Sheet 16). The Manual for 1st level control outlines the requirements for the safekeeping of accounting and other important documents.

[3] Common Provisions Regulation §140.1