



ENI CBC MED

Financial Final Report

Training Seminar for Lead Beneficiaries

PROJECT CLOSURE – CHAPTER 9

Barcelona, 08.11.2022



Table of contents

- Financial Final Report
- Non eligible costs
- Validation of the Final Report and payment of the balance
- Revenues/Non profit principle
- Transfer of assets



1. Financial Final Report

- ✓ The final financial reporting process is similar to the interim one.
- ✓ Once the final report is submitted there will be **no further opportunity for budget updates and maximization of the use of the available funds**, nor for resubmitting expenditures reported incorrectly.
- ✓ Moreover, a significant part of the grant may be part of the **final payment**, it is of the utmost importance and in the best interest of the partnership to have a clear and up-to-date financial plan, to **avoid any cashflow problems** during the last phase of project implementation.

ELIGIBLE COSTS



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What about the **eligible expenditure?**

2a. Eligibility of expenditure

The project financial closure refers to the **finalization of all the legal and administrative duties and obligations of the LB and PPs** related to the granted activities, and to the incurred expenditure. The financial management of the project needs to be finalised by the partnership as a whole, in accordance with the roles and responsibilities foreseen by the GC, art 5.

According to art.14.1 lett a), (ii), (iii) of the GC, in order to be eligible for reporting, final costs must be compliant with the following:

(ii) Costs incurred should be **paid before the submission of the final reports.**

(iii) An exception is made for [...] costs relating to final reports, only for **expenditure verification and final evaluation**, as the case may be, which may be incurred after the project implementation period and may be paid after the submission of the final reports, provided that they are listed in.

2b. Eligibility of expenditure

The following costs can then be claimed in the final financial report:

- costs related to **activities implemented and paid by the end of the project**, verified by the external auditor;
- costs related to activities implemented by the end of the project, but **paid before the delivery of the final report and verified by the external auditor**
- costs related to **the final evaluation, implemented after the end of project**; the activity has to be carried out and the payment finalized before the delivery of the final report and verified by the external auditor;
- costs related to the **final expenditure verification**; the final invoices and proofs of payments can be sent to the MA after the delivery of the final report, but before the payment of the final balance, for control of eligibility and alignment with percentages set in the Guidelines.

2c. Eligibility of expenditure

Regardless of the timing of the payment, **all expenditures shall be indicated in the financial report**, thus included in the MIS before submitting the report to the JTS, in order to be declared eligible.

Thus, Staff Costs incurred (and paid) after the end of the project are not eligible.

The **final evaluation** can take place after end of implementation according to GC, but **never after 31 December 2023**.

Validation and payment of the balance



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Validation criteria



- a) The procedure for the validation of the final report is the same described in par 4.3 of the PIM – The reporting flow.
- a) The indicative expected final balance amount of the project is set in the GC, art. 7.1.
- b) According to art. 8 of the GC, the total amount of the grant may not exceed the maximum laid out in the contract.



3a. Validation and payment of the balance

The total amount of the grant maybe reduced in case of **administrative and financial penalties or financial corrections** (art. 12 and 13 of the GC).

Therefore, if the total actual eligible costs are less than the initially estimated budget, the Programme contribution shall be limited to the amount obtained by applying the percentage of co-financing rate to the final amount of costs accepted by the Programme.



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3b. Validation and payment of the balance

The total amount of the grant maybe reduced in case of administrative and financial penalties or financial corrections (art. 12 and 13 of the GC).

Therefore, if the total actual eligible costs are less than the initially estimated budget, **the Programme contribution shall be limited to the amount obtained by applying the percentage of co-financing rate to the final amount of costs Accepted by the Programme.**

	Case 1	Case 2
Project total costs	2.500.000	2.500.000
ENI contribution (90%)	2.250.000	2.250.000
Total eligible accepted expenditure	2.485.000	2.200.000
Actual ENI grant (90%)	2.236.500	1.980.000
Already received	2.000.000	2.000.000
Balance payment	236.500	-20.000



3c. Validation and payment of the balance

A negative final balance of payments will result in the **recovery procedure of the ENI funds surplus received by the project**, according to Article 75 of ENI-CBC Implementing Rules.

Finally, the final amount of the grant may be reduced if the project does not deliver all the outputs, or even if the target values for the indicators are significantly lower than foreseen. In particular, **a financial deduction up to 10% may be applied to the total amount of the grant, “if the project is not implemented or is implemented poorly, partially or late”** (art 12.2 of the GC).



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NON PROFIT PRINCIPLE



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4. Revenues/non profit principle

According to article 47 of the ENI CBC Implementing Rules, **grants shall not have the purpose or effect of producing a profit within the framework of the project.** Profit is defined as a surplus of the receipts over the eligible costs approved by the programme bodies when the request for payment of the balance is made.

Expected revenues have to be declared in the description of the project during the application process; any revenue generated by the partnership during the project implementation must be checked by the external auditor and declared to the MA in the expenditure and revenue verification report (EVR).

The **revenues generated during the implementation period of the project need to be reported** at the latest with the Final Report. (e.g.: registration fees for a conference or entrance fees for cultural events organised by the project).





What happens to assets/equipment?

End of the project=>
use of investments
and equipment/

5. Transfer of assets

The following provisions of the Grant Contract shall be taken in to account during the final reporting phase, ruling the transfer of assets of items purchased with the budget of the project and to be **transferred at the end of the project** implementation.

In particular:

Article 22.5 foreseen that, unless otherwise clearly specified in the Description of the Project in Annex I, the equipment, vehicles and supplies paid for by the Budget for the Project shall be **transferred to the final beneficiaries of the Project, at the latest when submitting the final report.**

If there are no final beneficiaries of the Project to whom the equipment, **vehicles and supplies can be transferred, the LB and its partners may transfer these items to: local authorities/ local Partners/local affiliated entity(ies)/ another project funded by the EU/ or, exceptionally, retain ownership of these items.**



1. TRANSFER OF OWNERSHIP OF ASSETS¹ equipment, vehicles and supplies still in use at the end of the project



Grant contract identification number:

Title of the project:

Name of **Lead Beneficiary/Partner**: Please use the initials and number from the Application Form

Name of **Local Partner/Final beneficiary** of the project: Please use the initials and number from the Application Form

Item ²	Description of item (> EUR 5,000)	Date of Purchase	Purchase Cost in EUR	Date of Transfer / (
1.	Car			
2.	Water cleaning plant			
3.	Solar pannels			
4.	Lab equipment			
Etc.				

INVENTORY LIST OF EQUIPMENT, VEHICLES AND SUPPLIES³

Grant contract identification number: from the Application Form

Title of the project: from the Application Form

Name of Lead Beneficiary/Partner: from the Application Form



Item ⁴	Description of item	Name of the final owner	Proposed use	Type of final owner ⁵	Justifica
1.	Water cleaning plant	Partner n.2		Final beneficiaries, local Partner, local affiliated entity(ies), another project funded by the European Union, the LB or PP.	
2.					
3.					

Please check the following:

- ✓ **FINAL REPORT TEMPLATE**
ANNEX 9.1
- ✓ **REQUEST FOR FINAL BALANCE**
ANNEX 9.2
- ✓ **TRANSFER OF ASSETS**
ANNEX 9.3

WARNING

Acronym: _____
Reporting period n. _____
Project closing date: _____



Final Report

Courtesy form

Reporting period: from.....to....

All reports must be filled in and submitted by means of the Monitoring and Information System (MIS).



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