



# Modifications

Joint Secretariat  
02.05.2018



**Interreg** 

**Austria-Hungary 2014-2020**

European Union – European Regional Development Fund



## Delay



## Budget reallocation



## Change of partnership

# Background

## Underlying programme rules

- ERDF contract §8, §9, §10
- Implementation Manual Section 4
- Eligibility Manual

## General principles

- Funding is provided to the (submitted version of the) project, **as approved** by the MC
- Provisions of the contract refer to the **latest valid version** (as modified acc. programme rules)
- If changes cannot be avoided:
  - Concentrate on important modifications
  - Collect changes from PPs
  - Provide sufficient justification

# TYPES OF CHANGE

# Impact of the change

- Small **adaptations**: no need to modify the AF
- **Minor modifications** to be recorded in eMS
  - with JS confirmation
  - but without MA/MC approval
- **Major modifications** to be recorded in eMS, subject to prior approval of MA/MC

# Subject of the change

- Change in the **administrative elements**

**Content** changes, such as

- **Budget** changes:  
financing / budget lines / partners / other
- **Time plan**:  
delays / changed periods or deadlines / prolongation
- **Work plan**  
minor adaptations / substantial modifications
- **Partnership** changes:  
legal succession / partner change / partner quits

# WHEN YOU DON'T NEED TO MODIFY

# Adaptations not requiring a change of the AF

If adaptations are **in line with the original targets** but **do not fall under other explicit modification rules** (budget per category, per partner is unchanged), esp. if changes **help to reach specific objectives and main outputs**, e.g.:

- Some activities or deliverables are substituted by another (similar) activities or deliverables, or the focus is shifted
- An activity/budget item that is needed to reach the targets was not explicitly specified before.
- Technical specifications of some budget items are modified
- Unit price/quantity modified
- Financial implementation deviates on WP level and/or between periods

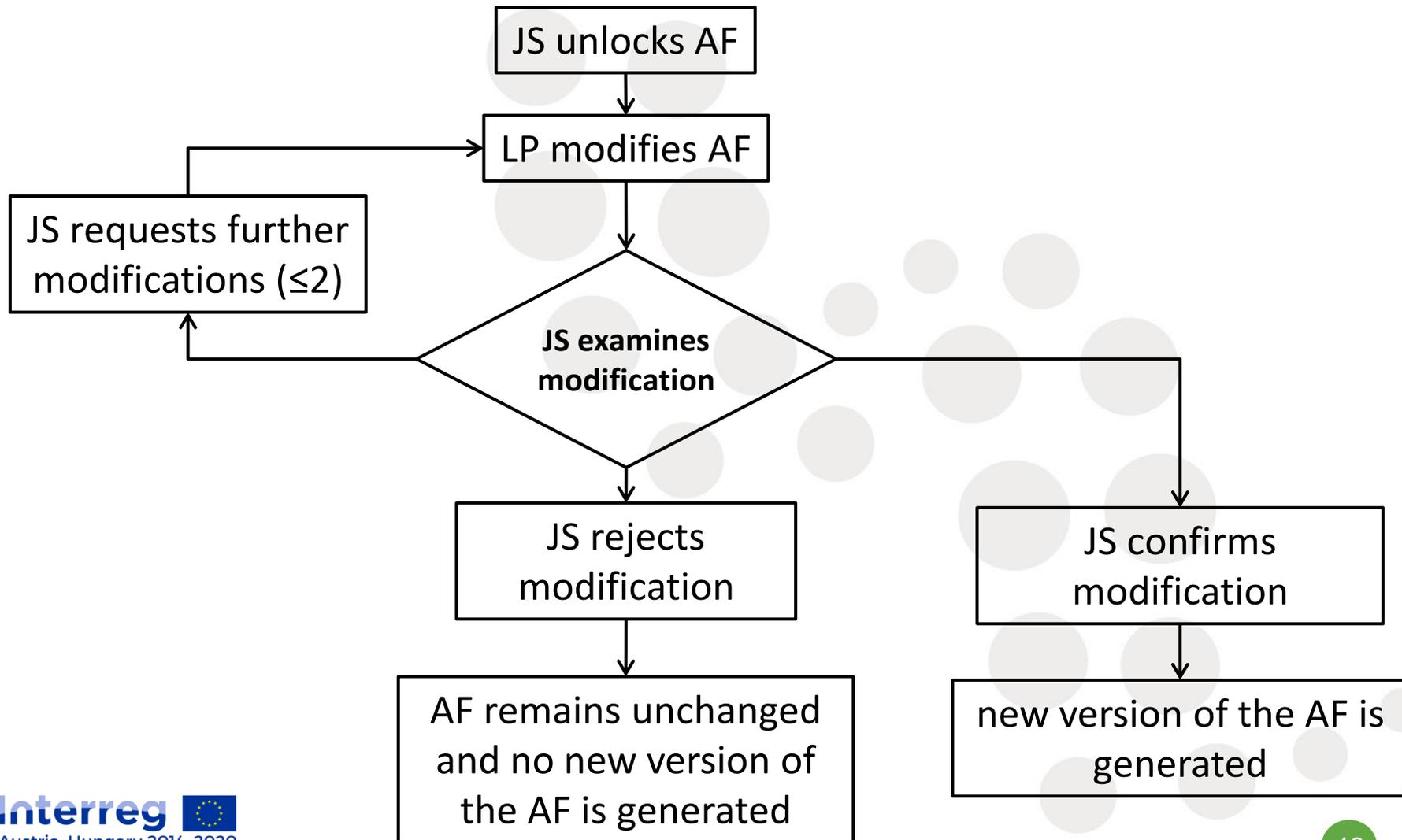
In such cases please do NOT modify the AF. FLC shall validate related expenditure as long as it is in line with the targets of the project.

# IF YOU NEED TO MODIFY

# Modification request

- LP must always **contact JS first**
- All modifications must **go through the LP**
- Request modification in **German+Hungarian** or in **English**
  - identifying **what** needs to be changed
  - including sufficient **justification**
- **JS reviews** and
  - **accepts** (AF becomes unlocked for editing) or
  - **refuses** (AF stays locked) the modification

# Modification workflow



## ATTENTION:

**Currently reports in preparation are lost after a modification is accepted by the JS.**

# Confirmation of the modification

## Minor:

- **acknowledgement** of the change by the **JS**

## Major:

- **approval** of the change by the **MA**
- **approval** of the change by the **MC**

# Administrative elements and other minor modifications

*Modification procedure with JS confirmation:*

- Change of **contact data** of LP/PPs,
- Change of **legal representative(s)** of LP/PPs,
- Change of **LP/PPs name** with no impact on its legal status (of financing),
- Change of **contact person/** project manager of LP/PP,

*Change in the supplementary data – inform JS:*

- Change of **bank account** of the LP,
- Change of **location of project documents**.

# Budget modifications

- Modification in the **financing plan**
  - **national** financing contributions
  - **ERDF** co-financing
- Reallocation between **budget lines** or **partners**
- **Other** budget modifications

**not more than 2x a year**

# Change in the national contributions

- Keep financing plan up-to-date incl. documents:
  - **Own resource declarations** keep validity
  - **Third party contributions** must be laid down in **contractual** form until first partner report or at latest until first ERDF payment.
- **Avoid changes** of financing plan as far as possible
- If changes are needed, if possible
  - **implement** them **before reporting is started**,
  - or when no partner or project reports are open
- Pay attention to **public/private** status
- Always **consult** the RC, PPs must **inform** LP a.s.a.p.
- Refer to Table 1 „frequent changes” in the Implementation Handbook and **consult JS** about your individual procedure

# Change in the ERDF co-financing

## ■ Increased ERDF

- due to increased total eligible project budget or
- with decreased national contribution (up to 85% ERDF)

requires prior approval by the MC

## ■ ERDF co-financing must be **decreased** if

- national contributions increase
- while total eligible project budget is unchanged.

# Reallocation between budget lines or partners

- Minor change:
  - **below 10%** of the **total eligible budget of the project**, JS acknowledges the change
- Major changes:
  - **at least 10% but below 20%** of the **total eligible budget of the project** subject to prior approval of the MA
  - **at least 20%** of the **total eligible budget of the project** subject to the prior approval of the MC
- Reallocations are **cumulated**, following an MC decision reset to 0%
- In case of **reallocation between partners**
  - national contributions must be ensured and documented
  - involves partners with different ERDF rates, refer to Table 2 in the Implementation Handbook and consult JS about further details

# Other changes in the budget

- Reimbursement **option** (real costs or flat rate) must not be changed
- Within the real cost option the chosen **scheme** per employee (*full time, part time/fixed percentage, flexible hours, hourly basis*) should be **kept for the whole project implementation**. Justified changes are possible:
  - between full time and part time/fixed percentage,
  - different percentage in part time/fixed percentage,
  - replacement of an employee.
- Change between part time fixed and flexible is not allowed
- The **hourly rate** for the 1720-method cannot be changed during project implementation
- Regularly **update the staff cost data sheet** and attach to the report about the period where it has first relevance

# Changes in the time plan

- report modifications in timely implementation as “**deviations**” within the periodic partner and project reports
  - include a **justification**,
  - explain **consequence** on the project’s implementation
  - describe **solution** agreed with the partners to tackle delay
- partner/project **reports must not be skipped or merged.**
- change in the **dates of reporting periods** requires MA approval: submit request at latest 1 month before the end of the period affected
- **prolongation** of the implementation period requires MA approval: submit request at latest 1 month before the project end date

# Changes in the work plan

- **Small adaptations** of the work plan (see above)
  - report deviations from the work plan in the reports
  - no change of the AF is needed
- **Major modifications** of the work plan
  - substantial modification of **activities**
  - any modifications of project **specific objectives**,
  - any modifications of **main outputs**,
  - modification of important **structural elements** (e.g. WP implementation or investment)

require **prior approval** of the MA (exceptional cases MC)

# Modification of the partnership

- **Avoid change** in the partnership as far as possible
- Changes requiring **MC approval**:
  - Partner replaced by existing partner
  - Partner replaced by new partner
  - Partner quits without replacement
- Adapt the **partnership agreement**
- Pay attention to
  - **administrative** and **eligibility criteria**
  - availability of required **competences**
  - reallocation of **activities, responsibilities, budget** items
  - documentation of financing **contributions**
  - **document retention** and other obligations
- If the partnership change endangers the achievement of the project main outputs and project specific objectives the MA has the right to terminate the project and demand a partial or full repayment of funds.
- Changes requiring **prior consent of MA**:
  - legal succession

Thank you for your attention!