

FAQs

Procedures Manuals

Separate Procedures Manuals

Question: We did not have a separate procedures manual for ERDF and ESF in place for the 2000-2006 and the N+2 PSOP. Is it necessary to complete manuals for 2007-2013 and N+2?

Answer: Although it is too late for the 2000-2006 and N+2 PSOP and it has been consistently noted by the HEA auditors in their reports, we can only deal with the issue going forward.

Therefore procedures manuals (separate from the HEI main procedures manuals) for both ERDF and ESF need to be prepared although they can be part of the same pack.

Completion of Manuals

Question: When do the manuals have to be completed?

Answer: The HEA will seek confirmation from each HEI that procedure manuals have been completed by mid-September 2009. It is the intention of the HEA to visit all the HEA institutions over the next three years to review some aspects of the Article 13 Verification Checks. This will include a review of Procedures Manuals. In this regard the HEA has forwarded in soft copy its own procedure manuals for ERDF and ESF for reference.

Review of Manuals

Question: How often should the procedure manuals be reviewed?

Answer: Ideally when procedures change, but at least annually and formally signed off and dated on an annual basis by the Finance Officer and person who prepared the manual.

Publicity

Annual Reports

Question: If annual reports have income and expenditure items that would be eligible for ERDF/ESF funding but there is no specific mention of ERDF/ESF, are the ERDF/ESF logos necessary?

Answer: Yes logos are necessary.

Irish Language

Question: Is it true that under the Official Languages Act 2003 we should have the logos in both English and Irish on all our publicity items and relevant documentation? If we need to do this how are we going to fit all the logos in?

Answer: The Higher Education Authority has been advised that named organisations under the Official Languages Act 2003, should contact their Irish Officer to ensure they are compliant with their obligations under this, in particular in relation to stationary, letterheads etc. The Managing Authority is not in a position to give a legal definition of what constitutes advertising/promotional material (advertisements are not covered under the Regulation) nor

do they have the competence to advise bodies of their obligation. If a Higher Education Institution should require the logos in Irish the Managing Authority can provide them through the HEA.

Frequency of Logos

Question: We have twenty computers in a room. Do we need the Logos on each computer or is it sufficient to have one display of logos in a prominent place in the room or directly on the wall outside the room?

Answer: Logos both inside and outside the room are sufficient. Not necessary to put the logo on each computer. Moveable items such as laptops need the logos.

Logos on the eTenders and OJEU websites

Question: Are all relevant logos available to use on the OJEU website when placing the tender advertisement and award notice?

Answer: Separately it has been brought to our attention by UCD that only 1 image/logo/crest can be used on each notice on the eTenders Public Procurement website, as confirmed by the latter. There is no facility for logos on the OJEU. **However on both the e-tenders and OJEU sites it is possible to attach documents such as the Request for Tender document which can have the logos on them. This would meet the compliance requirements.**

Investing in your future

Question: The font for this tagline is DAX medium but what colour is the tagline. I have all the correct logos downloaded from various sites but I cannot find any website with this tagline available for downloading.

Answer: The tagline can be in any colour but it would look well in the same font colour as that used for the EU flag.

Downloading Logos

Question: Where can I download logos from?

Answer: Go to the media tag on the HEA website www.heai.ie. On the Communications & Public Affairs page go to the heading Logos and Publicity Guidelines. This page has all the relevant logos available to download.

Other sites that have the logos available for downloading are www.bmwassembly.ie and www.seregassembly.ie. Information on the ESF can be found at www.esf.ie.

Procurement

Procurement Thresholds and VAT

Question: Are the procurement thresholds VAT inclusive or VAT exclusive?

Answer: Procurement thresholds are applicable to contracts advertised exclusive of VAT.

OJEU Thresholds

Correct Thresholds

Question: We had a 2007 project where we followed National Procurement Guidelines issued by the Department of Finance that were applicable for 2007. These indicated that the threshold for advertising contracts in the OJEU for Supplies and Services at the time was €236,000. Our contract was below this amount and so we did not advertise in the OJEU but the amount was above the current threshold of €206,000. Did we use the correct thresholds? We were not aware that the project was ERDF eligible at the time of procurement so we followed the National Guidelines.

Answer: You followed the guidelines available to you at the time. The current thresholds came into effect on Jan 2008 and are valid for two years. The thresholds in 2007 were higher at €236,000 and as your project was below this threshold you did not need to advertise in the OJEU.

OJEU Timing

Question: What is the timing of the tender placement on eTenders and the OJEU where the procurement thresholds have been exceeded?

Answer: The advertisement/call for proposals for the project need to be placed in the National Tender website and OJEU at the same time.

Award Notice

Question: What are the regulations regarding publication of award notices?

Answer: Where an award notice is applicable then it must be placed in the OJEU within 48 days of the award of the contract. The recommended time to dispute a contract award is 14 days after unsuccessful tenderers have been debriefed/notified.

Question: Does the award notice need to be sent to the HEA?

Answer: Yes a copy of each award notice should be sent in hard copy to the HEA within 30 days of the placement of such notice in the OJEU.

Retention of Documentation

Return Documentation

Question: Each expenditure return made must have enclosed the nominal ledger printout. We must indicate what items are cashed and not cashed as the nominal ledger will not provide us with this information. Rather than writing by hand not cashed across each relevant line item, is it allowable to directly export the nominal ledger to an excel spreadsheet and there type in what is not cashed? Can we then return this excel spreadsheet to the HEA instead of the actual nominal ledger?

Answer: From S&E Regional Assembly: I think the Excel sheet is a good idea with additional columns for indicating actual payment of the item. Maybe, they could still send you the original extract from their Financial Management System (FMS) (even summarised by account element) so that you can compare the totals between FMS and Excel sheet? They could also mark any items that are not eligible on the Excel sheet and have sub-totals for eligible and ineligible amounts?

Scanning of documents

Question: Is it sufficient for the audit trail to hold only electronically scanned invoices and other items of documentation?

Answer: Yes scanned items are sufficient for the audit trail but they must be scanned according to the Electronic Commerce Act 2000. All scanned items must be date stamped and legible. They should be easily retrievable for future audits.

The issue of scanning documents under the PSOP 2000-06 is a matter for the PSOP Managing Authority (DETE) to clarify with the EU. This is still on query with the EU.

Retention of documentation

Question: How long should documentation be retained?

Answer: Documentation should be retained for three years after the closure/last payment of each programme - 2000-2006 N+2 at least until 2015. 2007-2013 N+2 at least until 2022.

Eligible Expenditure

Eligible Measures

Question: What measures have ERDF eligible expenditure under the new round in both the BMW and S&E?

Answer: For the BMW region the eligible expenditure is from the 4th quarter (1st Oct) of 2008 onwards and includes:

- Research Capital (PRTL spend Cycle 4 and future cycles)
- Research Recurrent (PRTL spend Cycles 4 and future cycles)
- Research Equipment Renewal Grant (REG)
- Research Facilities Enhancement Scheme (RFES)
- Technological Sector Research (TSR) (BMW Region Institutes of Technology only)

The measures which are relevant for the new round for the S&E region for 2007-2013 (N+2) are as follows (any expenditure from the 1st Jan 2007 onwards):

- Research Capital (PRTL spend Cycles 1,2,3 and 4 + future)
- Research Recurrent (PRTL spend Cycles 1,2,3 and 4 + future)
- Research Equipment Renewal Grant (REG)
- Research Facilities Enhancement Scheme (RFES)

Lead Partners Returns

Question: We received €20m as the lead partner but gave €6m of this to the other partner involved in the project. Who prepares the expenditure returns?

Answer: Each institution prepares an expenditure return. In this example the Lead partner would make expenditure returns of €14m to the HEA. The project partner would make expenditure returns of €6m to the HEA.

Private Funding

Question: Can private funding be included in our expenditure returns?

Answer: For both Regional OPs, total eligible expenditure paid out by a Higher Education Institution (irrespective of source) can be deemed to be the public eligible amount. The private funding claimable is limited to the amount specified in the HEA letter of approval.

Donations of Equipment

Question: Under PRTL 5 donations of new equipment from private donors is allowed in the call for proposals. Can this be treated as eligible expenditure for ERDF?

Answer: Yes in both regions, if ownership of the equipment passes to the HEI and its value has been independently verified. Refer to Rule 4 of the national eligibility rules. (The amount is subject to the HEA letter of approval).

Items of Equipment

Question: It is my understanding that the full cost of items of equipment that are purchased and fully depreciated within the period 01/01/07–31/12/15 is claimable in full for ERDF purposes. However, if say an item of equipment is purchased in 2015 and is normally depreciated at, say 33.33%, then only 1/3 of the cost is eligible for ERDF purposes.

Is this correct?

Answer: No, this is not totally correct.

Rule 5 deals with Purchase cost of assets and depreciation charge. Equipment is deemed an asset if it has a useful economic life of greater than 1 year and costs more than €1,000 (net of VAT).

In your example above if the item of equipment is purchased within the period 01/01/07 – 31/12/15, is used wholly and exclusively for the co-financed project/operation, the item is permanently installed and fixed in the project/operation and has a useful economic life less than or equal to the remaining life of the project (not the Operational Programme) then the full purchase cost of the asset is eligible.

Therefore, for example, if an item of equipment was purchased in 2015 and has a useful economic life of say 3 years but the project will continue for 4 years then even though the OP closes in 2015 the full purchase cost is still eligible.

In all other cases the depreciation method must be used under the conditions as set out in rule 5.

The HEA acknowledges that this is slightly different to the information given during the ERDF visits.

The same applies to computers such as laptops, microscopes etc. which are used wholly and exclusively for the co-financed project/operation, the item is wholly dedicated to the project/operation and has a useful economic life less than or equal to the remaining life of the project (not the Operational Programme) then the full purchase cost of the asset is eligible.

Daily payments

Question: An Institute Employee employed in a non ERDF area provides Technical Expertise and Commissions a new piece of ERDF eligible equipment. His work in commissioning the equipment is also eligible. He spends eleven hours doing the work. What can we claim for his pay?

Answer: His pay is calculated on a daily, half daily, quarter of a day basis. His annual gross salary plus employer's PRSI should be divided by the actual number of annual working days to get a daily rate (365 minus 104 weekend days, 9 public holidays, 3 days annual leave). He would be paid for a day and a half in this example (each day is 8hrs). **A timesheet should be maintained to support time charged to the project.**

Overheads

Question: PRTL 4 grant approval allows for overheads of twenty five percent of direct costs. Can we return overheads up to twenty five percent on our expenditure returns?

Answer: The treatment of overheads in EU co-financed projects is set out in Rule 3 of the National Eligibility Rules, as follows:

Overheads/indirect costs for grants (i.e. not calls for tenders) may be eligible where they are based on real costs which relate to the implementation of the project/operation co-financed by ERDF and are allocated pro rata to the project/operation according to duly justified fair and equitable methods. These conditions must be confirmed and approved in writing in advance by the relevant Managing Authority in consultation with the Certifying Authority to the relevant Intermediate Bodies for each activity heading.

In exceptional circumstances and subject to the approval of the Managing Authority, indirect costs declared on a flat rate basis may be eligible up to a maximum of 20% of the direct costs of a project/operation. The flat rate must in the first instance be based on real costs which relate to the implementation of the project/operation and allocated in accordance with the preceding paragraph. Flat rates will be subject to periodic review as determined by the Managing Authority in consultation with the Certifying Authority.

If the approved costs of the project/operation are based on a call for tenders, then no overhead costs are eligible unless already included in the contract agreement price.

Training

Question: Where tender costs include training of staff in the use of equipment/computers is the cost eligible for ERDF claims?

Answer: Costs associated with the commissioning/implementation of equipment or an asset are considered eligible under an ERDF claim, where it can be shown that such costs have been treated in accordance with standard accounting practice.

Audits

Scheduling of Audits

Question: When are HEA Audits Scheduled?

Answer: The HEA has appointed external auditors to undertake complete Article 13 Verification Test Audits. These audits are scheduled to coincide with the return process. Therefore there will be one audit for each measure in each region for 2007, 2008 and the first six months of 2009.

It has yet to be decided if audits will take place for one six monthly period of the remainder of 2009 or if audits will take place quarterly for the last two quarters.

From 2010 audits will take place on a quarterly basis and there will be a total of about twenty audits annually spread across all measures (PRTL Capital, PRTL Recurrent, TSR etc.) The audits will be spread across the BMW and S&E regional areas.

Content of Audits

Question: What will these audits check?

Answer: The auditors will look at all aspects of the Article 13 Verification Checks. In particular, eligibility of expenditure included in the returns, the audit trail and original invoices, publicity, procurement procedures and the availability of procedures manuals.

HEA Checks

Question: Will the HEA itself audit?

Answer: The HEA is not an auditor but is required to carry out on-the-spot checks during the duration of the programme.

It is the intention of the HEA to visit all the HEA institutions over the next three years to review some aspects of the Article 13 Verification Checks.

We will review Publicity and Procurement Folders for the old round 2000-2006 (N+2 PSOP). In addition we will review Procedures Manuals, Publicity Folders and Procurement Folders for the 2007-2013 programme.

Other Audits.

Question: Who else can audit?

Answer: Each HEI can be audited by anyone above them in the Cascade Structure.

This would mean that any HEI can be audited by the Higher Education Authority appointed auditors, the Department of Education and Science, The Financial Control Unit of the Department of Finance, and also by the Comptroller and Auditor General and the EU itself.