

Interreg Greece-Bulgaria

European Regional Development Fund



EUROPEAN UNION

5th Call for project proposals:

**«Grant scheme for supporting
SMEs to grow and expand beyond
local markets»**

Online Training
for Project Beneficiaries

Questions & Answers

1. Q: Do we have to open a new account only for the project payments?

A: According to the Call, Paragraph 13.3. - PAYMENT OF GRANT – REQUIRED DOCUMENTATION:

“Installment payments are made by the Certifying Authority directly to each Project Beneficiary (PB) via an interest-free project dedicated bank account, which is declared by the concerned Beneficiary in the State Aid Information System and depending on the availability of funds.” (Please note that this will be amended.)

Each PB should have an interest free bank account dedicated to the project for the reimbursements of the grant. Payments to the suppliers may be conducted by this or any other account of the Project Beneficiary in the framework of the project implementation. This bank account may be a new one or an already existing one, in case it meets the Call requirements.

2. Q: Is the change of supplier considered as a modification?

A: According to the Call, Paragraph 14.3, the change of suppliers is considered a minor modification, which does not require a modification request as stated in chapter 14.1. In any case, it is the responsibility of the aid recipients to ensure that these minor changes do not lead to a deviation from the terms and criteria of this Call, the scoring and the grant contract. Also, the Project Officer should be informed in advance for this kind of modification.

3. Q: Can savings from the tenders be used by the project?

A: According to the [Programme and Project Implementation Manual](#), Paragraph 4.8.1:

“It must be noted that the discounts of the contracts are not subject to modifications and any respective savings shall be returned to the Programme. Only in duly justified cases these discounts can be re-used and/or re-allocated in the project through a modification approved by the MC.”

4. Q: Can a Beneficiary submit an insurance guarantee instead of a promissory note/letter of guarantee by a bank institution?

A: According to the Call, Paragraph 13.3.1. - ADVANCE PAYMENT:

“After the signing of the grant contract, the aid recipient can receive an advance of up to 40% of the public assistance (grant) if he/she provides a letter of guarantee for an equivalent amount or a promissory note (for Bulgarian enterprises) from a credit institution recognized for that purpose.”

Thus, no, an insurance note may not be accepted since it is not issued by a credit institution.

5. Q: When is the advance payment balanced out?

A: According to the Call, Paragraph 13.3.1. - ADVANCE PAYMENT:

“The advance payment is balanced out (i.e. the amount received as advance payment is subtracted from public assistance corresponding to the sum of payment certifications submitted) in the interim payment or the final payment of the project, if there is no interim payment”.

Thus, in case a PB requests for an interim payment, the advance will be balanced out in the interim payment. In case the PB does not request for an interim payment and requests only one-final payment, then the advance will be balanced out in this payment. In general, the advance is balanced out in the first payment the PB receives, whether this is an interim or a final payment.

6. Q: Can an advance payment towards a subcontractor be verified?

A: According to the Call, Paragraph 8.3 – NON ELIGIBLE EXPENSES, point viii:

“All expenses not paid in full before the payment claim date.” are not eligible under this call. Thus, no, you may not submit for verification an expenditure concerning an advance towards a subcontractor.

7. Q: Is the exchange rate from euro to leva and vice versa eligible?

A: According to the Call, Paragraph 8.3 – NON ELIGIBLE EXPENSES, point IV:

“Interest payments, financial transaction fees, foreign exchange costs and foreign exchange differences, and all other financial transaction expenses of the eligible beneficiary” are not eligible.

8. Q: What is the exchange range from leva to euro and vice versa?

A: According to the [Programme document](#), Paragraph 5.5 Use of the Euro:

“Method chosen for the conversion of expenditure incurred in another currency than the Euro Article 28 of Regulation 1299/2013 is applicable and states that: By way of derogation from Article 133 of Regulation (EU) No 1303/2013, expenditure incurred in a currency other than the euro shall be converted into euro by the beneficiaries using the monthly accounting exchange rate of the Commission in the month during which that expenditure was: submitted for verification to the managing authority or the controller

*in accordance with Article 23 of this Regulation (reg 1299/2013, Article 28, option b).
The conversion shall be verified by the managing authority or by the controller in the
Member State or third country in which the beneficiary is located."*

9. Q: Do we have to wait for 6 months to submit a project modification?

A: According to the Call document, Paragraph 14.1: "Requests for modifications, other than those submitted under force majeure, may be submitted after the first six months from the start date of the investment plan have elapsed (the date of modification request submission is determined by the incoming document number)."

The only request for modification that can be approved prior to the time period of 6 months after the signing of the Grant Contract is the one that concerns the update of the approved AF with the data of the enterprises that were under establishment during the submission phase. Another exception which is considered as force majeure is the withdrawal of one of the Project Beneficiaries.

Apart from these exceptions, all other project modifications should be requested in the system after the first six months from the start date of the investment plan have elapsed. However, since the procedure of the project modifications is time-consuming and may lead to a re-evaluation of a project, Projects Beneficiaries may send their intentions for modifications to their Project Officer via email prior to inserting/submitting their requests in the SAMIS.

10. Q: How many requests for verifications can a beneficiary submit?

A: Each Project Beneficiary may submit:

- minimum one (1) request for verification, one at the closure of the project implementation to verify all PBs paid out expenditures, or
- maximum four (4) according to the following schedule:
 - a. Verification of advance payment up to 40% of the PBs public assistance (grant)-an interim verification and payment of at least 50% or more of the PBs public assistance (grant)- an interim verification and payment of at least 75% or more of the PBs public assistance (grant) - a final verification and payment at the closure of the project.

Or

- b. An interim verification and payment up to 50% of the PBs public assistance (grant)- an interim verification and payment of at least 50% or more of the PBs public assistance (grant)- an interim verification and payment of at least 75% or more of the PBs public assistance (grant)- a final verification and payment at the closure of the project.

11. Q: How many requests for modifications can we submit?

A: Whatever applies for the ordinary projects in respect to modifications, also applies for the projects of the 5th Call. Thus, according to the [Programme and Project Implementation Manual](#), Paragraph 4.8.1: *“It must be noted that in order to ensure timely implementation, any request for modification of the project will be pre-assessed regarding the need by JS/MA and reserves the right to accept project modifications not more than twice per year. This limitation applies only for modifications approved either by the MA or the MC and can be overruled in exceptional cases.”*

The request for modification in order to add in the approved AF the data of the enterprises that were under establishment during the submission phase, are not taken into consideration. Project Beneficiaries should keep in mind that a request for modification is submitted at project level and not per Project Beneficiary separately. Thus, a cooperation/communication among the project beneficiaries is necessary before submitting a request for modification. Also, they should inform and consult in advance their Project Officer about the modification they wish to request.

12. Q: Is SAMIS system already operational for the submission of expenditure verification requests?

A: The following modules have been activated in SAMIS:

- Request for Modification, in order to insert the data of the under establishment enterprises.
- Advance Payment Claim

The module “Request for verification” is ready but will be activated once all project proposals are inserted in the MIS system and receive a MIS code. You will be informed accordingly by your Project Officer.

13. Q: In case, the 80% of the beneficiary's project concerns the supply of a one and only machine, how will we be able to submit an interim payment request? Is the advance payment to the supplier of the machine, acceptable? (worth 49% of the total budget). It is obvious that this advance payment to the supplier will be mentioned in a relevant contract.

A: According to the Call, Paragraph 8.3 – NON ELIGIBLE EXPENSES, point viii: "All expenses not paid in full before the payment claim date." are not eligible under this call. Thus, no, an advance payment to the supplier is not acceptable.
Since a request for interim payment of at least 50% of the PBs total grant will be possible, then this expenditure, supply of a machine, can be submitted for verification

14. Q: When will SAMIS be operational for submitting an interim verification request, in case there are no modifications from both of partners?

A: The screens are ready; SAMIS technical team has to perform some technical checks before activating the verification module in SAMIS. Also, one of the prerequisites to request for verification is the Application Forms to be entered in MIS (ops.gr) system. When this action is finalized, and the interim verification request is submitted and finalized, the Greek Beneficiaries will be able to receive public grants from the RDF.

15. Q: Please explain the need for a bank account in EUR, which is different from the company one, if no advance payment is requested?

A: See Q.1

16. Q: Can payments be made from the BG account of the company?

A: The reimbursements from the Certifying Authority (for BG PBs) or the ERDF (for GR PBs) to the aid recipients –PBs should be made in an interest free bank account dedicated to the project with currency in Euros. For payments made by the PBs to their subcontracts/suppliers refer to paragraph 13.1.1. PAYMENT PROCEDURE of the Call document: *"Acceptable payment means include:" (pages 42-44) and also Q1.*
Also, refer to Paragraph 8.2.1. CLARIFICATIONS REGARDING THE ELIGIBLE TYPES OF EXPENSES, point 2: *"All invoices will be in the respective National Language or – for transactions with enterprises from other countries – in English (if invoice originals cannot be in English, then translations will be required). All accompanying documents and corresponding banking transactions will also be presented for the certification of expenditure so that a reliable and adequate audit trail can be established."*

17. Q: We know that in the modification, the project budget cannot be increased. Example. In a project with a total budget of € 500,000, each beneficiary has € 250,000. In case one beneficiary will not incur costs of a category (e.g. equipment) worth € 15,000. Is there a problem if the other beneficiary increases his own equipment budget up to € 15,000? (we have to monitoring the limit of DeMinimis - € 200,000)

A: This kind of modification constitutes a major modification that affects the Grant Contract (“Modifications to the budget by 30% (up or down) in any given type of expense, provided that the budget breakdown limits as defined in chapter 9.4 are not violated;”) and needs to be reviewed by the Managing Authority and be approved by the Monitoring Committee of the Programme. Relevant requests should be accompanied by detailed justification in relation to the needs of the physical object of the investment that create the need for the change. In all cases, all the terms and conditions of the Call which ensure the eligibility and positive evaluation of the investment plan must continue to be met after the modification.

Also, the requested modification should not come under any of the following categories that are not allowed according to Paragraph 14.4. MODIFICATION RESTRICTIONS of the Call: *“The following modifications are not allowed:*

- *Modification of the start date of the grant and the eligibility date of the expenses;*
- *Increase of the grant (public assistance);*
- *Modification of physical elements of the investment plan, which affect the nature and objectives of the investment plan and the terms and conditions of this Call;*
- *Modification of budget items by more than 30% per expense type and/or exceeding the limits set in chapter 9.4 (Budget Breakdown)*
- *Adding a new category of expenditure, not foreseen when submitting the application, greater than 5% of the total budget of the investment plan.”*

18. Q: Do we have to coordinate the bank guarantee in advance with Interreg employee?

A: Your JS Project Officer should be informed in advance in case you intent to request for an advance payment.

19. Q: I would like to ask a question about the verification request and more specifically the construction works. If no construction permit is necessary for the works, do we have to submit architectural designs?

A: You should consult the relevant National Legislation for the existence of such a requirement and act accordingly.

20. Q: Another obstacle may be the balance out of the advance payment in the interim payment. In order to cope with the financial management of the project, the balance must be reconsidered to be implied only on the final payment.

A: Please refer to Q.5.

21. Q: You say that for three years we have to maintain a bank account under the project, on which to convert twice our payments to employees and suppliers, as we are entitled to one interim payment for the entire period? The usual practice in Bulgaria is analytical accounting, which provides the requirements for audit.

A: Please refer to Q.1.