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European Structural and Investment Funds

Guidance for Member States on preparation, examination and acceptance of accounts

**DISCLAIMER**

**“***This is a working document prepared by the Commission services. On the basis of applicable EU law, it provides technical guidance for colleagues and bodies involved in the monitoring, control or implementation of the European Structural and Investment Funds on how to interpret and apply the EU rules in this area. The aim of this document is to provide Commission services' explanations and interpretations of the said rules in order to facilitate the programme implementation and to encourage good practice(s). This guidance is without prejudice to the interpretation of the Court of Justice and the General Court or decisions of the Commission.***”**

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**LIST OF ACRONYMS AND ABBREVIATIONS**

|  |  |
| --- | --- |
| AA | Audit Authority |
| CA | Certifying Authority |
| CDR | Commission Delegated Regulation (EU) No xxx/2015 of xxx 2015 (preparation ongoing) with specific provisions for the conditions and procedures to be applied to determine whether amounts which are irrecoverable shall be borne by the Union budget or by Member States |
| CPR | Common Provisions Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17.12.2013) [[1]](#footnote-2) |
| CIR | Commission Implementing Regulation Regulation (EU) No 1011/2014 of 22.9.2014 |
| EMFF | European Maritime and Fisheries Fund |
| ESIF | ESIF corresponds to all European Structural and Investment Funds. This guidance applies to all except for the European Agricultural Fund for Rural Development (EAFRD) |
| ETC | European Territorial Cooperation Regulation (Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17.12.2013) |
| Funds | The Structural Funds (ERDF and ESF) and Cohesion Fund (hereafter "the Funds") and the European Maritime and Fisheries Fund (EMFF) |
| IB | Intermediate Body |
| MA | Managing Authority |
| MCS | Management and Control System |
| YEI | Youth Employment Initiative |

# Background

## Regulatory references

|  |  |
| --- | --- |
| **Regulation** | **Articles** |
| Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council (Financial Regulation) | Article 59 – Shared management with Member States |
| CPR | Article 84 – Deadline for the examination and acceptance of accounts by the Commission  Articles 137 – Preparation of the accounts  Article 138 – Submission of information  Article 139 – Examination and acceptance of accounts |
| CIR | Article 7 – Model for the accounts |

## Purpose of the guidance

The purpose of this guidance note is to provide

* Guidance to the Member States on how to submit the accounts information to the Commission using the model tables of Article 7 and Appendices 1, 6, 7 and 8 of Annex VII of the Commission Implementing Regulation (EU) No 1011/2014 (CIR) applicable to the Structural Funds and Cohesion Fund (hereafter "the Funds") and the European Maritime and Fisheries Fund (EMFF).
* This guidance aims also to cover issues on the preparation, submission, examination and acceptance and follow-up of the accounts under Articles 137, 138 and 139 of the Common Provisions Regulation (CPR).

## New provisions in the 2014 – 2020 period on the examination and acceptance of accounts

The provisions in the CPR concerning financial management, audit and financial corrections in relation to Cohesion Policy Funds mean that the assurance model for the 2014-2020 programming period needs to be modified compared to the 2007 – 2013 programming period.

The key new elements on financial management in the CPR are:

* A twelve-month accounting year running from 1 July to 30 June (except for the first one);
* Retention of 10% of EU interim payment calculated on the basis of MS payment applications;
* The reimbursement/recovery of annual balance, following acceptance of accounts by the Commission;
* Submission by each programme of certified accounts for expenditure declared to the Commission during the accounting year;
* Submission to the Commission of accompanying documents to give assurance on the accuracy of the accounts, the effective functioning of the system and the legality and regularity of the underlying transactions (management declaration, annual summary of controls and audits, audit opinion and control report (assurance documents));

In the 2014-2020 programming period, the EU budget is protected by means of a systematic retention of 10% of the interim payments as indicated above. By February following the end of the accounting year (1 July - 30 June), the control cycle is complete both through management verifications by the managing authorities and audits by the audit authorities. And the residual risk of error in the block of expenditure covered by the accounts should be low since the certifying authorities must deduct all irregularities detected during the accounting year and up to the transmission of the draft annual accounts by the CA to the AA. Nevertheless the accounts to be submitted to the Commission need to be corrected if the AA still detected irregularities and/or propose further adjustments.

The Commission examines the assurance documents and the accounts provided by the relevant authorities in the Member States. The payment / recovery of the final balance is made only after this assessment is finalised and the accounts are accepted.

# General issues

According to Art 135 (2) CPR the CA shall submit the final application for an interim payment between 1 and 31 July.

However it can be envisaged that no new additional expenditure is added in the final interim payment application compared to the previous interim payment application. In other words, the final interim payment application can be a zero amount application. In addition, the final interim payment application might be the only interim application transmitted to cover the accounting year.

According to Article 126(b) of CPR it is the CA of an operational programme who is responsible for drawing up the accounts. It is also responsible for certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the operational programme and complying with applicable law.

From 2016 until and including 2025, accounts are submitted by 15 February N+1 for each accounting year for each Fund and operational programme. Accounting year means the period from 1 July N-1 to 30 June N, except for the first accounting year in respect of which it means the period from the start date for eligibility of expenditure until 30 June 2015. The final accounting year shall be from 1 July 2023 to 30 June 2024. This accounting year is the reference period for the accounts, the management declaration, the annual summary, the audit opinion and the annual control report. It is different from the financial year which corresponds with the period from 1 January to 31 December.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Accounting years | Deadline for payment annual pre-financing  (before) | Deadline for final interim payment (between) | Deadline for submission of accounts\*\* | Pre-financing cleared |
| 01/01/2014\*-30/06/2015 | - | 01/07/2015 -31/07/2015 | 15/02/2016 | - |
| 01/07/2015-30/06/2016 | 01/07/2016 | 01/07/2016 - 31/07/2016 | 15/02/2017 | 2016 annual pre-financing cleared by 31/05/2017 |
| 01/07/2016-30/06/2017 | 01/07/2017 | 01/07/2017 - 31/07/2017 | 15/02/2018 | 2017 annual pre-financing cleared by 31/05/2018 |
| 01/07/2017-30/06/2018 | 01/07/2018 | 01/07/2018 -31/07/2018 | 15/02/2019 | 2018 annual pre-financing cleared by 31/05/2019 |
| 01/07/2018-30/06/2019 | 01/07/2019 | 01/07/2019 -31/07/2019 | 15/02/2020 | 2019 annual pre-financing cleared by 31/05/2020 |
| 01/07/2019-30/06/2020 | 01/07/2020 | 01/07/2020 - 31/07/2020 | 15/02/2021 | 2020 annual pre-financing cleared by 31/05/2021 |
| 01/07/2020-30/06/2021 | 01/07/2021 | 01/07/2021 - 31/07/2021 | 15/02/2022 | 2021 annual pre-financing cleared by 31/05/2022 |
| 01/07/2021-30/06/2022 | 01/07/2022 | 01/07/2022 -31/07/2022 | 15/02/2023 | 2022 annual pre-financing cleared by 31/05/2023 |
| 01/07/2022-30/06/2023 | 01/07/2023 | 01/07/2023 -31/07/2023 | 15/02/2024 | 2023 annual pre-financing cleared by 31/05/2024 |
| 01/07/2023-30/06/2024 | - | 01/07/2024 -31/07/2024 | 15/02/2025 | - |

\* incl. expenditure under the YEI eligible as of 01/09/2013

\*\* or 01/03/20xx at the request of the Member States

Following the submission of the accounts, the Commission will proceed with the examination of the accounts and provide its conclusion as for their acceptance by 31 May N+1 at the latest in line with Article 84 of CPR.

The Commission may exceptionally extend the deadline for the submission of the accounts to 1 March N+1, upon justified request from the Member States concerned in line with Article 59 (5) FR.

The accounting year, Fund and operational programme should be clearly identified in the accounts in accordance with the model of the Accounts as defined in the CIR. For multi-fund programmes, accounts should be sent separately for each Fund as indicated in CIR (except for YEI specific allocation and ESF).

# Amounts entered into the accounting system of the Certifying Authority

As a general rule it should be stated that the model of the accounts mirrors the model of the final interim payment application of the accounting year concerned.

The information on amounts at priority level (and category of region) entered into the accounting system of the CA must be submitted to the Commission using the model set out in Appendix 1 of Annex VII to CIR 2011/2014.

|  |  |  |  |
| --- | --- | --- | --- |
| Priority | Total amount of eligible expenditure entered into the accounting systems of the certifying authority and which has been included in the payment applications submitted to the Commission  (A) | Total amount of the corresponding public expenditure incurred in implementing operations  (B) | Total amount of corresponding payments made to beneficiaries under Article 132(1) of Regulation (EU) No 1303/2013  (C) |
| Priority (category of region/type of intervention (YEI), when applicable) | *<type="Cu" input="M">* | *<type="Cu" input="M">* | *<type="Cu" input="M">* |

## Explanations on columns (A), (B) and (C) of Appendix 1

### Column A

The CA should exclude from the accounts, expenditure previously included in an interim payment for the accounting year where that expenditure is subject to an ongoing assessment of its legality and regularity. According to Article 137 (2) CPR the whole or part of such expenditure which is subsequently found to be legal and regular may be included by the CA in an application for interim payment relating to subsequent accounting years.  
Amounts entered in the accounting system of a CA with regard to an accounting year can be higher than the amounts actually declared under annual accounts for that accounting year in line with Article 135(1) CPR.

Established irregularities resulting from the audit work (performed by the audit authorities, the Commission or by the European Court of Auditors) and/or from adjustments made by the managing and/or certifying authority (additional management verifications or verification work) related to declared expenditure during the accounting year should also be deducted in the accounts.

All amounts for which irregularities were detected either during the accounting year and/or between the end of the accounting year and the submission of the accounts need to be deducted from the accounts if they have not been already withdrawn in an application for interim payment during the accounting year and consequently the amount was included in the final application for interim payment.

If after the submission of the accounts of accounting year N, irregularities are detected on expenditure included in previous accounts (including the accounts of the accounting year N) then the Member State has the possibility of withdrawing the irregular expenditure from the operational programme by deducting it from a next interim payment application or to leave the expenditure certified in previous accounts, pending the outcome of the recovery procedure. In this case the irregular amounts will be deducted only once the recovery is effective (see point 2 of the Guidance for Member States on Amounts Withdrawn, Amounts Recovered, Amounts to be Recovered and Irrecoverable Amounts).

Column A contains the total amount of eligible expenditure entered into the accounting systems of the CA and which has been included in the payment applications submitted to the Commission. This is a cumulative figure within the accounting year. It corresponds to the amount declared in the final interim payment application of that accounting year and includes the possible deductions resulting from any audit or control activity. Consequently, the amounts reported in this column should be equal or less to the corresponding amount declared under the final interim payment (column B of Annex VI of CIR)

### Column B

Column B contains the total amount of the corresponding public expenditure incurred in implementing operations. The amount of public expenditure (as defined in Article 2(15) of CPR) stems from the amounts declared under column A and is equal or lower than the amount requested in Column A.

For the reasons explained above, the amounts reported in this column should be equal or less to the corresponding amount declared under the final interim payment (column C of Annex VI of CIR).

### Column C

Column C contains the total amount of corresponding payments made to beneficiaries under Article 132(1) of CPR. It is the corresponding total amount of public expenditure (both EU and national co-financing) which has been actually paid to beneficiaries in compliance with the 90-days provision laid down in Article 132(1) of CPR.

According to Article 132(2) of CPR this payment deadline may be interrupted by the Management Authority in either of the following duly justified cases:

* The amount of the payment claim is not due or the appropriate supporting documents, including the documents necessary for management verifications have not been provided
* An investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.

This column is not used for the purpose of the calculation of the balance of the accounts.

# Amount of programme contributions paid to financial instruments

The amounts of programme contributions paid to Financial Instruments and the amounts paid by Financial Instruments have to be reported in Appendix 6 of Annex VII to CIR 2011/2014. In case amounts that are deducted from the accounts, contain expenditure related to Financial Instruments, these amounts should be reflected accordingly in this Appendix. The information reported by the Member States in this Appendix will be used by the Commission for the preparation of the annual accounts of the Commission. For detailed information on the content of the fields refer to the "Guidance for Member States on Article 41 CPR - Requests for payment" (Ref. EGESIF 15-0006-01 of 08/06/2015). Adjustments of amounts from the Financial Instruments compared to the final interim payment application should be reflected in Appendix 6.

# Advances paid in the context of state aid

|  |  |  |  |
| --- | --- | --- | --- |
| Priority | Total amount paid from the operational programme as advances | Amount which has been covered by expenditure paid by beneficiaries within 3 years of the payment of the advance | Amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed |
| (A) | (B) | (C) |
| Priority (category of region/type of intervention (YEI), when applicable) | *<type="Cu" input="M">* | *<type="Cu" input="M">* | *<type="Cu" input="M">* |

In accordance with Article 131(4) of CPR advances may be paid to the beneficiaries by the body granting the aid and included in a payment application.

In line with Article 131(5) of CPR, Member States must disclose the information covered by columns A, B and C in Appendix 2 of each payment application to the Commission. Adjustments of these amounts included in the final interim payment application should be reflected in Appendix 7 of Annex VII to CIR 2011/2014.

The information reported by the Member States in this Appendix will be used by the Commission for the preparation of the annual accounts of the Commission. It enables the Commission to identify the part of declared expenditure in the payment applications that are advances, as pre-paid expenditure in the accounts of the Commission.

In case amounts that are deducted from the accounts, contain expenditure related to advance paid in the context of state aid, these amounts should be reflected accordingly in this Appendix.

As indicated in the CIR, the data in this Appendix will be reported cumulative from the start of the operational programme.

### Column A

Column A contains the total amount paid from the operational programme as advances. It is the amount of EU contribution and national contribution paid as advances by the MA to the beneficiaries.

The amount in this column derives from the cumulative data reported under the final interim payment (Annex VI - Appendix 2 – column A).

### Column B

Column B contains the amount which has been covered by expenditure paid by the beneficiaries to clear the advances paid to them and already declared to the Commission. The expenditure, supported by receipted invoices or accounting documents of equivalent probative value, must be paid at the latest within 3 years following the year of the payment of the advance or on 31 December 2023, whichever is earlier.

This amount corresponds to expenditure already incurred and paid by beneficiaries and covered by the advances already declared to the Commission.

The amount in this column derives from the cumulative data reported under the final interim payment (Annex VI - Appendix 2 – column B).

### Column C

Column C contains the amount which has not been covered by expenditure paid by beneficiaries and for which the 3 year period has not yet elapsed. This amount corresponds to expenditure not yet paid by beneficiaries, but still not exceeding the 3 year period following the year of the payment of advance or on 31 December 2023, whichever is earlier.

The amount in this column derives from the cumulative data reported under the final interim payment (Annex VI - Appendix 2 – column C).

# Reconciliation of expenditure

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Priority | *Total eligible expenditure included in payment applications**submitted to the Commission* | | *Expenditure declared in accordance with Article137(1)(a) of Regulation (EU) No 1303/2013* | | *Difference* | | *Comments (obligatory in case of difference)* |
| Total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations | Total amount of public expenditure incurred in implementing operations | Total amount of eligible expenditure entered into the accounting systems of the Certifying Authority and which has been included in the payment applications submitted to the Commission | Total amount of the corresponding public expenditure incurred in implementing operations | (E=A-C) | (F=B-D) |  |
| **(A)** | **(B)** | **(C)** | **(D)** | **(E)** | **(F)** | **(G)** |
| Priority (category of region/type of intervention (YEI), when applicable) | *<type="Cu" input="G">* | *<type="Cu" input="G">* | *<type="Cu" input="G">* | *<type="Cu" input="G">* | *<type="Cu" input="G">* | *<type="Cu" input="G">* | *<type="S" maxlength="500" input="M">* |
| Out of which amounts corrected in the current accounts as a result of audits of operations according to Article 127(1) of Regulation (EU) N° 1303/2013 | | | | | *<type="Cu" input="M">* | *<type="Cu" input="M">* |  |

As explained in 3.1.1. amounts can be deducted from the accounts. For this reason, the amounts in the final interim payment application in relation to the accounting year submitted to the Commission by 31 July and the amounts included in the accounts for the respective accounting year could be different and discrepancies should be explained in this reconciliation table.

### Columns A and B

The data of these columns are generated automatically by SFC2014 on the basis of the final interim payment.

In the first two columns (A and B), the total eligible expenditure included in the interim payment applications submitted to the Commission for the accounting year concerned is included. As the interim payment applications are cumulative in the accounting year, these data should match with the amounts indicated in the final interim payment application (columns B and C).

Column A contains the total amount of eligible expenditure incurred by beneficiaries and paid in implementing operations. It corresponds with the figures encoded under the final interim payment (annex VI - column B).Column B contains the total amount of corresponding public expenditure incurred in implementing operations. It corresponds with the figures encoded under the final interim payment (annex VI - column C).

### Columns C and D

The data of these columns are generated automatically by SFC2014 on the basis of the amounts entered under Appendix 1.

The two columns (C and D) contain the expenditure stated in the accounts in accordance with Article 137 (1) (a).

Column C contains the total amount of eligible expenditure entered into the accounting systems of the CA and which has been included in the payment applications submitted to the Commission. It corresponds with the figures encoded under the accounts (annex VII - Appendix 1 - column A). Column D contains the total amount of the corresponding public expenditure incurred in implementing operations. It corresponds with the figures encoded under the accounts (annex VII - Appendix 1 - column B).

### Columns E, F and G

The differences between expenditure declared in the final interim payment application of the accounting year (two first columns A and B) and the expenditure certified in the accounts (next two columns C and D) may result mainly from adjustments or deductions resulting from the audit work, further management verifications after the end of the accounting year and from other adjustments (due to ongoing assessments on the legality and the irregularity in the framework of the preparation of the accounts in accordance with Art 137 (2)) made by the managing and/or certifying authority). They are shown in the columns E (difference of the columns A – C) and F (difference of the columns B – D).

The data of columns E and F are generated automatically by SFC2014.

The adjustments should be negative corrections thus reducing the expenditure declared under the final interim payment. Positive adjustments should be corrected in a subsequent interim payment application and not in the accounts (clerical mistake for instance).

Explanations, justifications and comments are to be provided under the 'comments' in the last column G. In case of differences shown in columns E and/or F, it is obligatory to fill in this column (G).

The text in this column should correspond with a possible cross-reference to annual summary or annual control report when relevant. The CA should provide in this column relevant information which is concise, complete, comprehensive and to explain the context and give reference to national related documents where necessary (annual control reports, Court decisions ...). If needed the Member State can add a separate note to explain, however information contained in the other documents of the assurance package should not be repeated. The part of the adjustments resulting from the audit of operations according to Article 127(1) of CPR shall also be specifically mentioned in the last line of the table as indicated in CIR.

# Submission of the accounts

## Submission

### Consistency checks between documents

In line with the principle of the segregation of duties, the legal framework assigns the responsibility for preparing different elements of the accounts package to different authorities (accounts by the CA, management declaration and annual summary by the MA and audit opinion and annual control report by the AA). The linkage between all these documents calls for coordination arrangements between authorities so that consistency checks are performed ahead of the submission. National procedures should be established to ensure this coordination.

Therefore, it is recommended that arrangements are made within the Member States to allow one of the authorities (to be designated at national/regional level) to perform all required consistency checks paying special attention to the correspondence between tables.

Internal coordination is even more important for ETC programmes and should be established in these programmes.

In this context it is recommended that the national authorities set, from the beginning of the period, internal deadlines for the transmission of the draft accounts to the AA. The AA should have sufficient time for its review to enable it to issue a soundly-based audit opinion by 15 February of year N+1.

### Transitional provisions for late adoption of programmes or late designation of authorities

According to Article 135(2) of CPR, the final interim payment application of the accounting year (ending on 30/06/2015) should be submitted before the first interim payment application for the next accounting year (01/07/2015 to 30/06/2016).

If no expenditure is to be declared to the Commission during the first accounting year, the following scenarios are possible:

If the programme has been adopted and the designation of the MA and the CA has been notified before 31 July 2015, the CA generates a final application for interim payment with zero amounts, which is then submitted to the Commission between 1 and 31 July 2015. By 15 February 2016, the accounts are automatically generated with zero amounts in SFC2014 and submitted by the CA to the Commission. All the other documents related to the assurance package have to be submitted by the MS.

If the programme has been adopted before or after 30 June 2015 and the notification of the designation of the MA and the CA occurs after 31 July 2015 but before 15 February 2016, the CA does not need to submit a final application for interim payment for the first accounting year. Consequently, since no payment application was submitted, the accounts are automatically generated by SFC2014 with zero amounts. The remaining documents of the assurance package would still need to be submitted by 15 February 2016.

If the adoption of the programme occurs before or after 30 June 2015 and the notification of the MA and the CA has not occurred by 15 February 2016: since the MA and CA may or may not have been designated, and no notification was sent, no final application for interim payment or accounts are required for the first accounting year (no interim payment is possible). Similarly no Management Declaration and no Annual Summary are required. The Audit Control Report and the Audit Opinion still will be required. Specific guidance for the preparation of this first ACR is provided to the AAs in Annex 3 of the Guidance Note on ACR (EGESIF 15\_0002)

### Practical arrangements with regard to a request for a deadline extension

Following Article 59(5)(b) of the Financial Regulation, the deadline of 15 February may exceptionally be extended by the Commission to 1 March, upon communication by the Member State concerned. The request should be sent before 15 February in the form of a letter setting out the exceptional circumstances justifying the extension.

### Consequences in case of non-submission of the accounts or one of the appendices

Late submission will automatically entail a delay in the examination and acceptance process and could be considered as one of the ‘reasons attributable to Member State’ referred to in Article 139(4) of CPR giving ground for an extension of the examination process beyond 31st of May.

This may in turn result in a later settlement of the final balance for that given accounting year.

According to Article 83(1)(c) of CPR, the authorising officer may interrupt the payment deadline for an interim payment claim if there is a failure to submit one of the documents required under Article 59(5) of the Financial Regulation.

# Calculation of the annual balance

## Calculation of the annual balance

Unlike the 2007 – 2013 period, where the co-financing rate was applied on retroactive base to the expenditure declared since the beginning of the programming period, the co-financing rate in the 2014 – 2020 period will be applied on the expenditure declared in a given accounting year.

On the basis of the accepted accounts, the amounts chargeable to the Funds will be calculated using the co-financing rate in force at the date of the submission of the final interim payment application. Moreover, when a Member State was benefiting top-up according to Article 24 of CPR at the time of the submission of the final interim payment application to the Commission, this shall also trigger the application of top-up at the calculation of the balance of the accounts.

The amounts used for this calculation will be extracted from the columns (A) and (B) of the Appendix 1 of the accounts.

Subsequently the balance of the accounts will be calculated by deducting the EU support paid (by the Commission as interim payments applications during the accounting year) and the annual pre-financing paid from the amounts chargeable to the Funds.

The respect of the ceiling indicated in Article 130 (2) (a) will be checked at the closure of the operational programme. For the purpose of the respect of the ceiling indicated in Article 130 (2) (b) the Commission will take into account all the interim payments (including any amounts in line with Article 139 (7)) made to the operational programme since the beginning of this operational programme.

## Financial consequences

Depending on the result of the calculation of the balance, the Commission will pay any additional amount due or establish recoveries.

Amounts due will be paid within 30 days of the acceptance of the accounts.

Amounts to be recovered following the examination and acceptance of accounts procedure will be considered as assigned revenue in accordance with Article 177(3) of the Financial Regulation. Such recoveries, considered as assigned revenue, will not constitute a financial correction and will not reduce support from the Funds to the operational programme.

In all situations, the annual pre-financing will be cleared from the Commission's accounts, either by expenditure or by recovery.

## Simplified example of the calculation of the balance

This simplified example illustrates the calculation of the balance of the accounts for the accounting year 01/07/2015 till 30/06/2016 according to the following assumptions: a total cost operational programme with one priority axis and a co-financing rate of 85%. The contribution from the Funds for the priority laid down in the decision of the Commission approving the operational programme is 850.

For the second accounting year an annual pre-financing has been paid before 1 July 2016: 20 (a1).

**1/ Final interim payment**

The CA submits the final interim payment claim for this operational programme between 01/07/2016 and 31/07/2016 with the following amounts:

|  |  |  |
| --- | --- | --- |
| **Final Interim Payment Claim** | | |
| **Priority Axis** | **Total**  **(B)** | **Public**  **(C)** |
| OP - 1 | 260 | 200 |

On the base of this final interim payment claim the EU support paid to the Member State is calculated as follows:

* The co-financing rate of the priority axis is applied to the total expenditure declared in the final interim payment application: 260 (B) x 85% = 221. When a Member State is benefiting top-up according to Article 24 of CPR at the time of the submission of the final interim payment application, the co-financing rate is increased by 10% (not exceeding 100%). So, in this case a co-financing rate of 95% will be applied instead of 85%.
* The ceiling indicated in Article 130 (2) (b) taking into account all the interim payments including any amounts in line with Article 139 (7) is verified.
* The Commission reimburses as interim payment 90% of the calculated amount: 221 x 90% = 198,9 (b1)

**2/ Accounts**

**Scenario 1:**

The authorities of the Member State didn't identify any illegal or irregular expenditure. The amounts declared in the final interim payment application are confirmed in its totality and no amounts subject to ongoing assessment (Article 137(2) of CPR) or resulting from audit work are deducted from the accounts. The CA submits the accounts of the accounting year 01/07/2015 till 30/06/2016 by 15 February 2017 to the Commission.

The Appendix 1 of the accounts contains the following amounts:

|  |  |  |
| --- | --- | --- |
| **Accounts** | | |
| **Priority Axis** | **Total**  **(A)** | **Public**  **(B)** |
| OP-1 | 260 | 200 |

The amount chargeable to the Funds is calculated as follows:

* The co-financing rate of the priority axis (in force at the moment of the submission of the final interim payment application) is applied to the total amount certified in the accounts: 260 (A) x 85% = 221 (c1). When a Member State is benefiting top-up according to Article 24 of CPR at the time of the submission of the final interim payment application, the co-financing rate is increased by 10% (not exceeding 100%). So, in this case a co-financing rate of 95% will be applied instead of 85%.
* The ceiling indicated in Article 130 (2) (b) taking into account all the interim payments including any amounts in line with Article 139 (7) is verified.

Subsequently, the balance is calculated by deducting the EU support paid (as calculated in the final interim payment application) and the annual pre-financing paid from the amount chargeable to the Funds: 221 (c1) – 198,9 (b1) – 20 (a1) = 2,1

As the calculation of the balance results is a positive amount the Commission will pay this amount due within 30 days of the acceptance of the accounts.

**Scenario 2:**

The authorities of the Member State deducted some amounts subject to ongoing assessment (Article 137(2) of CPR) or resulting from audit work.

|  |  |  |
| --- | --- | --- |
| **p.m. Amounts deducted from the accounts before submission** | | |
| **Priority Axis** | **Total**  **(A)** | **Public**  **(B)** |
| OP-1 | 60 | 40 |

The CA submits the accounts of the accounting year 01/07/2015 till 30/06/2016 by 15 February 2017 to the Commission.

The Appendix 1 of the accounts contains the following amounts:

|  |  |  |
| --- | --- | --- |
| **Accounts** | | |
| **Priority Axis** | **Total**  **(A)** | **Public**  **(B)** |
| OP-1 | 200 | 160 |

The amount chargeable to the Funds is calculated as follows:

* The co-financing rate of the priority axis (in force at the moment of the submission of the final interim payment application) is applied to the total amount certified in the accounts: 200 (A) x 85% = 170 (c1). When a Member State is benefiting top-up according to Article 24 of CPR at the time of the submission of the final interim payment application, the co-financing rate is increased by 10% (not exceeding 100%). So, in this case a co-financing rate of 95% will be applied instead of 85%.
* The ceiling indicated in Article 130 (2) (b) taking into account all the interim payments including any amounts in line with Article 139 (7) is verified.

Subsequently, the balance is calculated by deducting the EU support paid (as calculated in the final interim payment application) and the annual pre-financing paid from the amount chargeable to the Funds: 170 (c1) – 198,9 (b1) – 20 (a1) = - 48,9

As the calculation of the balance results in a negative amount, it will be subject to a recovery order issued by the Commission which will be executed, where possible, by offsetting against amounts due to the Member State under subsequent payments to the same operational programme.

# Examination and acceptance of accounts

By 31 May of the year following the end of the accounting year, the Commission shall, in accordance with Article 59(6) of the Financial Regulation and Article 84 of CPR, apply the procedures for the examination and acceptance of the accounts. It shall inform the Member State by a letter of the Authorising Officer of each Directorate General as to whether it is able to accept the accounts.

If, for reasons attributable to Member State, the Commission is unable to accept the accounts by this deadline, it shall - in accordance with Article 139(4) of CPR - notify the Member State specifying the reasons and the actions which are required to be undertaken and the time period for their completion. At the end of the time period for the completion of those actions the Commission shall inform the Member State as to whether it is able to accept the accounts.

Where the Commission is at that moment still unable to accept the accounts, it shall determine, on the basis of the available information, the amount chargeable to the Funds for the accounting year and shall inform the Member State (Article 139(8) of CPR).

* Where the Member State notifies the Commission of its agreement within two months of the transmission by the Commission of the information, the Commission shall calculate the balance of the accounts as described in point 8.
* In the absence of such agreement, the Commission shall adopt a decision setting out the amount chargeable to the Funds for the accounting year. Such decision shall not constitute a financial correction and shall not reduce support from the Funds to the operational programme. On the basis of the decision, the Commission shall calculate the balance of the accounts as described in point 8.

In the context of the examination process, exchanges between the services of the Commission and the authorities in charge of the programmes may take place on an informal or formal basis depending on the issues at stake. Following the examination, corrections requested at the initiative of the Commission will always give rise to a formal request.

As indicated in CIR, a version will be assigned to each set of accounts submitted by the Member State. In the framework of the procedures described above, it might be required to submit a revised version of the accounts by the CA. Therefore it is important to keep an audit trail of the versions submitted to the Commission.

1. <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32013R1303> [↑](#footnote-ref-2)