EUROPEAN UNION
European Regional Development Fund

URBACT
Driving change for
better cities

GUIDE TO NETWORK MANAGEMENT

Useful information on how to manage
your Network throughout its lifecycle

VERSION 3
April 2021

TABLE OF CONTENTS

OVERVIEW OF CHANGES

This document is **version 03** of the **NETWORK MANAGEMENT GUIDE**.

If future versions of the Guide are created, the table below will record an overview of changes made compared to previous versions:

Version No.	Changes	Page No. in this version
03.	▪ Chapter pages added	Pages 6, 9, 12, 15, 19, 23, 27, 34, 42 and 45
	▪ New flowchart and information about Networks with a single phase	N/A
	▪ Budget and Flexibility amended	Page 31
	▪ Annex 3 — Expenses and Reporting Checklist added	Page 58
02.	▪ The **document structure** has been revised	*N/A*
	▪ **Flowcharts** have been added: (General Timeline; Overview of Tasks and Responsibilities; Contractual Documents; FLC System; SYNERGIE-CTE Process; Monitoring Activities & Outputs; Monitoring Finance & Budget; Budget and Flexibility; Guidance for Reporting;	
	▪ **Chapter 5. SYNERGIE-CTE** added	
	▪ Section **7.2 Monitoring Finances and Budget** revised	
	▪ Section **8.1 Official Reporting** revised	
	▪ **Annex 1** on FLC Contacts updated	
	▪ **Annex 2** on Summary of Budget Categories and Eligible Costs revised	
	▪ **Annex 5** on Challenges related to the COVID-19 Outbreak	

GLOSSARY

AA	Audit Authority
AHE	Ad Hoc Expert
APN	Action Planning Network
CA	Certifying Authority
FLC	First Level Controller
IN	Implementation Network
JS	Joint Secretariat
LE	Lead Expert
LP	Lead Partner
MA	Managing Authority
MC	Monitoring Committee
MS	Member State
NUP	National URBACT Point
PP	Project Partner
PR	Progress Report
PS	Partner State
SDG	Sustainable Development Goals
TN	Transfer Network
UIA TM / UTM	URBACT Urban Innovative Action Transfer Mechanism Pilot Networks
ULG	URBACT Local Group

FOREWORD

1.1. Introduction to URBACT III

The URBACT III Programme is part of the European Territorial Cooperation objective of the Structural Fund policies for the period 2014-2020 and is financed through the European Regional Development Fund. URBACT III promotes exchange and learning between cities to provide integrated solutions to common urban challenges by learning through other experiences. It does not finance investments.

For more information about the Programme objectives, you can consult the URBACT III Operational Programme available on the website.

The main Programme actors you will find mentioned in this guide are:

> **URBACT Secretariat/Managing Authority** (ANCT – Agence Nationale de la Cohésion des Territoires) – the URBACT Secretariat has been created by the MA to carry out the day to day management of the URBACT Programme. The MA remains responsible for all Programme actions.

> **Monitoring Committee** – the MC is made up of representatives of all Member and Partner States involved in the Programme. It is the decision making body for the Programme.

> **Certifying Authority** (DRFIP – Direction Régionale des Finances Publiques) – the CA has the responsibility to check costs for eligibility and declare eligible costs to the European Commission for refund. It is also responsible for managing the Programme bank accounts and refunding beneficiaries.

> **Audit Authority** (CICC – Commission Interministérielle de Coordination des Contrôles) – The AA has responsibility for ensuring the Programme is operating according to the regulations, in particular concerning audit questions. You will not have direct contact with the AA as an URBACT beneficiary. However, should your network be selected for audit, you will have contact with the external consultancy firm appointed on their behalf.

1.2. Introduction to this Guide

This guide is intended as a practical guide to help you, as an URBACT Lead Partner, to manage your network and fulfill your responsibilities. It should provide concrete examples of good practice in URBACT network management as well as hints and tips coming from the experience of the URBACT Secretariat and the previous networks leaders.

This guide should be used in conjunction with the URBACT Programme Manual that you can find on the URBACT website.

The Factsheets **2A Action Planning Networks**, **2C Transfer Networks**, **2E Network Management** and **2F Financial Management and Control** are of particular importance for Lead Partners.

1.3. Using this Guide

This guide is organised by topic corresponding to the chronological cycle of your network, starting with the approval of your network and ending with its closure.

You will be able to easily extract information on these topics, according to the stage of the network you are interested in. For each topic you will find basic information on your tasks as a Lead Partner including useful insights from previous networks.

The Guide does not outline all the rules and procedures as they are presented in detail in other Programme documents, the guide aims to make your life easier by giving advice on saving time and resources whilst managing your network.

R E C O M M E N D A T I O N

Even though this Guide has been designed for Lead Partners, you should communicate it to your Partners since some aspects *(especially SYNERGIE-CTE, Monitoring Finances & Budget, Reporting and Payments or Setting up records and Audit trail requirements)* are relevant to all Partners involved in URBACT Networks.

02.
TIMELINES

Depending on the type of network you are part of, **the timeline will be either divided into two phases** (Phase 1 and Phase 2) **OR unique**, with a single phase:

Timeline for an URBACT project divided into two phases: APN Call 2 and TN Call 1

SINGLE PHASE

18 months

KEY DATES

Call for Proposals

Application Deadline

PROJECT START DATE

Results

Mid Term Reflection Meeting

Reprogramming Proposal *(if needed)*

PROJECT END DATE

Interim Reporting Round 1 Deadline

Final Reporting Round 2 Deadline

APPLICATION & REPROGRAMMING

URBACT Secretariat

Eligibity | Assessment | Contracting

Reprogramming Review | Amendments *(if needed)*

Monitoring Committee

Official Decision

Official Decision

EXPENDITURE

All Partners

Accounting Expenditure on SYNERGIE-CTE

All FLCs

Interim FLC Certificates

Final FLC Certificates

REPORTING

Lead Partner

Progress Report 1 & Payment Claim 1 Submission

Progress Report 2 & Final Payment Claim 2 Submission

URBACT Secretariat

Progress Report & Payment Claim Review | Payment

Progress Report & Payment Claim Review | Payment

Timeline for an URBACT project with a single phase: UTM, SDG and TN Second Wave

03.
TASKS & RESPONSIBILITIES

3.1. Lead Partner's Responsibilities

Financially Responsible

- Is liable for related **expenditure on SYNERGIE-CTE**
- Ensure **PPs' expenditure is valid**
- After each payment from the Secretariat, **distributes ERDF to partners**

Managing the Network

- Allocates **sufficient resources and time** to fulfil its role as LP
- **Appoints or subcontracts a project coordinator** acting as a driving force and mobilising the partners to achieve the objectives
- Sets up an **efficient and reliable system** for the network **management** and **coordination**
- Monitors performance of PPs within the given timeframe and against budget forecasts

Communicating & Disseminating Results

- **Communicates and disseminates results of the network.** They should clearly state the project has been co-financed by ERDF through URBACT and the European emblem, the Programme logo and tagline and the URBACT graphic charter must be used

Reporting

- Produces and submits regular network **Progress Reports** and **Payment Claims**
- **LP's FLC certifies LP's expenditure** and **sign the Progress Reports**
- **Record keeping**: keeps available all its documents related to the network at least until 31 December 2025 (other possibly longer statutory retention periods, as might be stated by national law, remain unaffected)

Strong & Informed Partnership

- **Communicates all responsibilities, procedures and duties to partners** via manuals, guidelines, online and/or face-to-face meetings and checks
- **Is the point of contact between the Secretariat and the Partners**: it is the LP's responsibility to pass on all relevant information to PP

Legally Responsible

- **Ensures the implementation of the entire network**
- **Signs a Subsidy Contract** to formalise the responsibilities between the network and the Programme
- **Drafts a Joint Convention** setting mutual rights, obligations and duties between project partners
- Is **liable for its own actions**

3.2. Project Partners' Responsibilities

- **Public statements (reports, publications, etc.)** have to point out that the network has been co-financed by ERDF through URBACT and the European emblem, the Programme logo and tagline and the URBACT graphic charter must be used

Communicating & Disseminating Results

- Are liable for related **expenditure on SYNERGIE-CTE**
- Have their own **expenditure verified by their FLC**
- After each payment from the LP, **confirm receipt of ERDF**

Financially Responsible

- **Allocate sufficient resources** to fulfil their role as partner properly in both content and management
- **Nominate a coordinator** as the contact point between the other Project Partners and the Lead Partner's project coordinator
- **Ensure their involvement** and their **active contribution** to their part of the network implementation **within the time schedule and according to their budget**

Managing their part of the Network

Strong & Informed Partnership

- Are expected to **inform the Lead Partner** and possibly other **Project Partners** about **any change and / or problem** in a timely and effective way
- Are **aware of their responsibilities, duties and procedures** via manuals, guidelines, meetings and checks

Legally Responsible

- **Sign and respect the Joint Convention** (covering mutual duties, responsibilities and provisions for sound project and financial management and recovery of funds**)**
- Are **liable for their own actions and related expenditure**

Reporting

- Provide **information on progress of activities and finances** to **Lead Partner**
- Carry out their **financial administration** (accounting, production and storing of documents required)
- Account the **expenditure incurred**
- Project Partners' **FLCs certify the expenditure** and **produce regular certificates of expenditure**
- **Record keeping**: keep available all documents related to the network at least until 31 December 2025 (other possibly longer statutory retention periods, as might be stated by national law, remain unaffected)

A detailed version of the roles and responsibilities of Lead and Project Partners can be found in the URBACT III Programme Manual – Fact Sheet 2E on Network Management.
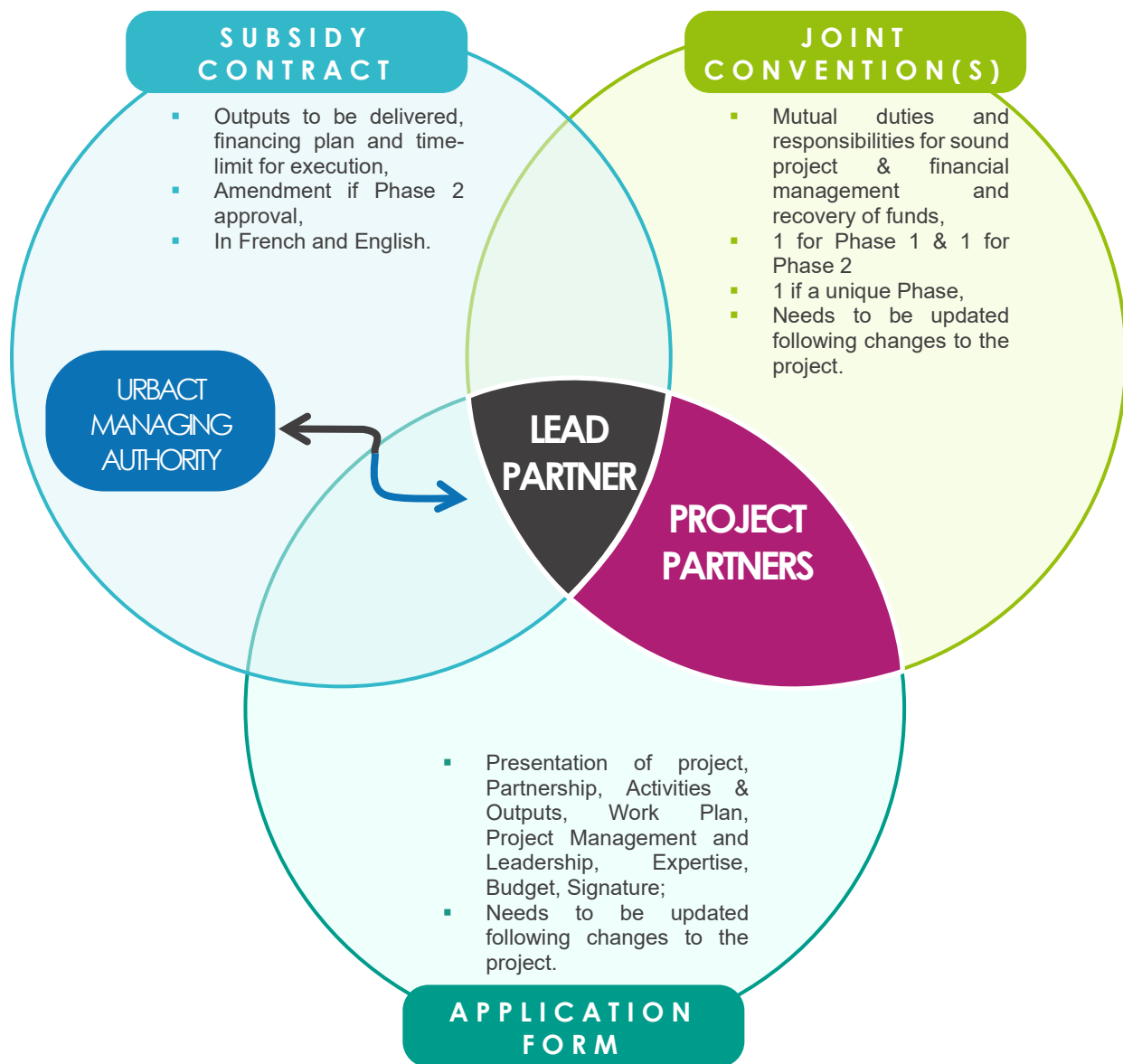
04.

CONTRACTUAL DOCUMENTS

As described in the flowchart below, your URBACT network is governed by a series of contractual documents: **Subsidy Contract, Joint Convention** and **Application Form**.

4.1. Subsidy Contract

The subsidy contract is the **legal framework between the URBACT Managing Authority (MA) and the Lead Partner (LP)** setting out conditions for support including requirements concerning the scope of activities to be carried out as indicated in the approved application form, terms of funding, requirements for reporting and financial controls, the financing plan and the deadlines for completion. The subsidy contract will be **signed in English and in French**.

The Managing Authority shall provide the Lead Partner with a signed version of the Subsidy Contract (three originals in each language). **The LP should arrange for all three versions of this document to be signed by the appropriate person in the LP organisation** (usually an elected representative). You may wish to ask advice from your legal services.

Once signed and stamped, the LP should keep one signed original in each language (keep it in a safe place – see Setting up records and audit trail requirements) and return the other two sets of originals to the URBACT Secretariat by registered post:

> **URBACT Secretariat**
> *TSA 10717*
> *75334 Paris Cedex 07*
> *FRANCE*

One original will be sent to the Certifying Authority and the other will be kept by the URBACT Secretariat.

The Subsidy Contract should be amended following a major change. You will find more information on this topic under Reporting Changes. An amendment will be required if your project is approved in Phase 2.

For adapted procedures under Covid-19 and specific exceptional circumstances, refer to Annex 5.

4.2. Joint Convention

The Joint Convention (JC) is the **legal framework between Lead Partner and Project Partners** covering mutual duties, responsibilities and provisions for sound network management and delivery.

It is one of the first main tasks of the Lead Partner to elaborate and provide a standard document to all Project Partners comprising the following basic information:

> Role and obligations of the individual partners in the network implementation

> Amount of financial (local) contribution of each Project Partner and related ERDF funding

> Financial Management principles (payment forecast, budget reallocation, financial management system, accounting, reporting, control and payments, liabilities for recovery)

> Liability in case of failures in network delivery and spending

> Information and publicity requirements

> Resolution of conflicts in the partnership

> Working language of the partnership

This is a **mandatory document which must be signed by each partner**. The Joint Convention should be adapted to your specific network situation (decentralised management, shared costs if any, responsibilities for specific tasks for each partner, etc.).

Guidance to preparing Joint Convention has been developed by the URBACT Secretariat. This document serves as a guide and should be adapted for each network.

> ### R E C O M M E N D A T I O N S
>
> Getting the Joint Convention signed and stamped can be problematic so we have some recommendations to make this easier:
> - Circulate a **draft document** so that each partner can agree on the text
> - Get it **translated** if needed
> - Arrange for **signature during a partnership meeting** if those present are able to sign (this is a more operational document and can be signed by the project coordinator)
> - Attach a separate signature sheet per partner (in this way the whole document does not need to be circulated to each partner in original)
> - Ask each partner to **sign 2 copies** (one to be kept by PP, the other sent to LP)
> - A **scanned copy** of the whole document including all the signed pages should be **sent to all partners** and to the **URBACT Secretariat** within 3 months of network approval

For adapted procedures under Covid-19 and specific exceptional circumstances, refer to Annex 5.

4.3. Application Form

You submitted your project application form (AF) – perhaps some details have changed. It is important that all the basic information is up to date in the Application Form (AF). Please check on SYNERGIE-CTE that **all partners contact details** are up to date as well as **the Lead Partner's bank details** and inform the URBACT Secretariat about any update to be taken into account.

At the beginning of your project, and before the first reporting period, all partners are asked to identify their First Level Controller (FLC) using an online form available in SYNERGIE-CTE. The FLC is the person in charge of certifying the costs on the partner level – refer to Factsheet 2F (section 4) for the procedure.

Some tips on doing this can also be found – in this guide – under Using SYNERGIE-CTE.

> ### H I N T S & T I P S
>
> - Ensure that contractual obligations are made clear to all partners in the Joint Convention – avoid complicated language when doing this.
> - Some partners may need a copy of the Subsidy Contract to allow them to start working – be prepared and send a scan to each partner for information
> - Ask partners about possible national co-financing sources – this is important to know and mention in the JC if they are eligible for national funds
> - Ensure network financial management system decided is clear to all partners – use simulations as examples
> - Make contact with the First Level Controller at the beginning of the project to establish ground rules and set control checks thus avoiding future complications
> - Use REGISTERED POST to send signed originals *(where applicable)* – it is safer and can be tracked
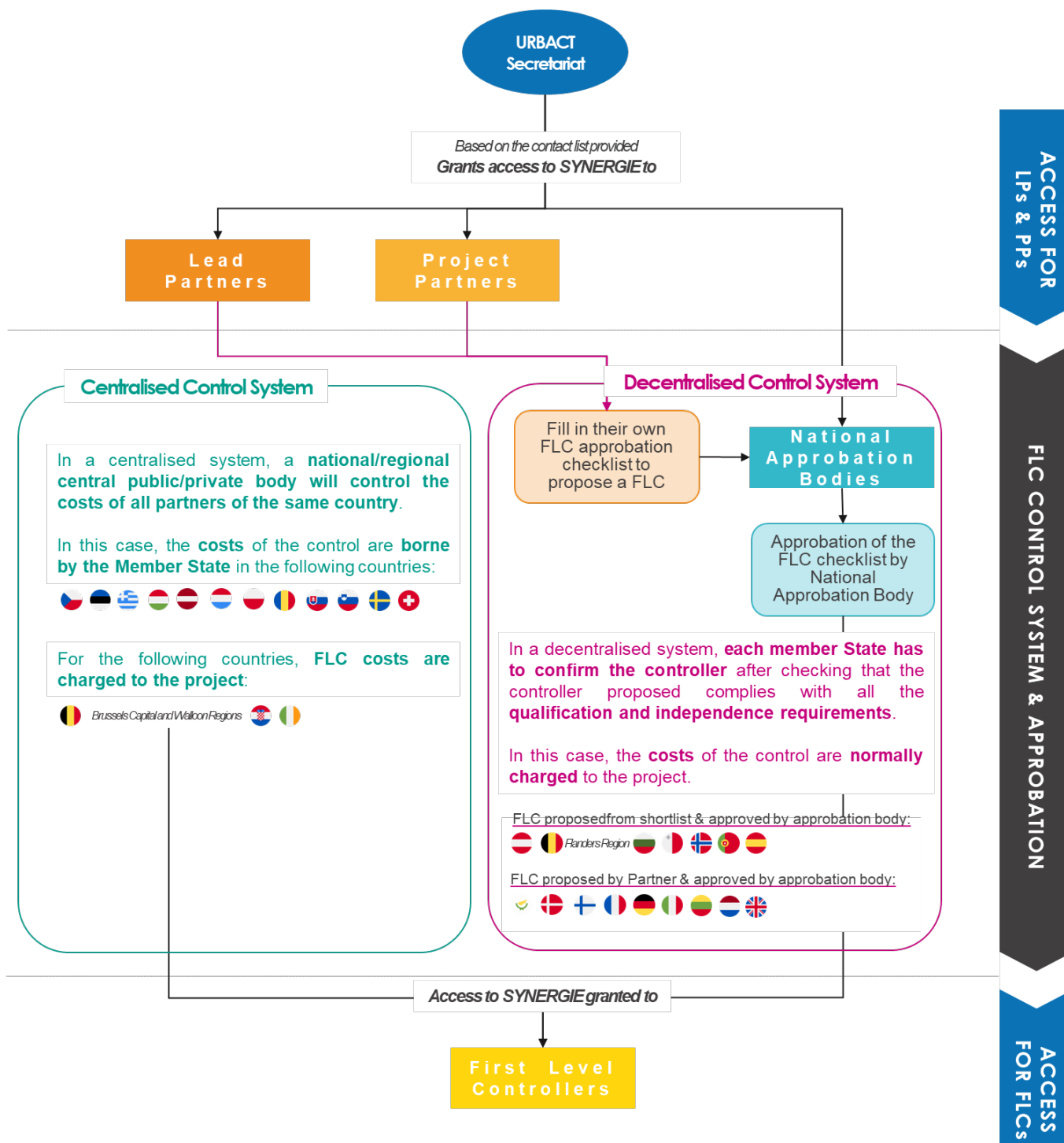
05.
SYNERGIE-CTE

5.1. Getting access to SYNERGIE-CTE

URBACT Secretariat

Based on the contact list provided
Grants access to SYNERGIE to

Lead Partners

Project Partners

ACCESS FOR LPs & PPs

FLC CONTROL SYSTEM & APPROBATION

Centralised Control System

In a centralised system, a **national/regional central public/private body will control the costs of all partners of the same country**.

In this case, the **costs** of the control are **borne by the Member State** in the following countries:

For the following countries, **FLC costs are charged to the project**:

Brussels Capital and Walloon Regions

Decentralised Control System

Fill in their own FLC approbation checklist to propose a FLC

National Approbation Bodies

Approbation of the FLC checklist by National Approbation Body

In a decentralised system, **each member State has to confirm the controller** after checking that the controller proposed complies with all the **qualification and independence requirements**.

In this case, the **costs** of the control are **normally charged** to the project.

FLC proposed from shortlist & approved by approbation body:

Flanders Region

FLC proposed by Partner & approved by approbation body:

Access to SYNERGIE granted to

First Level Controllers

ACCESS FOR FLCs

The flowchart above shows the first part of the process: **to get access to SYNERGIE-CTE**. At the beginning of your Network (and possibly at the beginning of Phase 2 for new partners, for URBACT projects in two phases), you will be asked to communicate a list of contacts to the URBACT Secretariat. **Only Project Coordinators/Officers, Local Coordinators and Finance Officers will be given access to SYNERGIE-CTE**. Even though you will be asked to choose a Communication Officer, no access to SYNERGIE-CTE will be granted to them.

The URBACT Secretariat will then grant access to SYNERGIE-CTE to the designated people and an automatic email with an activation link will be sent to them. Please make sure they check their spam folder and click on the activation link within 7 days.

The flowchart also displays the **actions required to get a First Level Controller (FLC) approved,** in a Decentralised Control System. As a reminder, in a Centralised Control System, FLC are already approved by the Member States. So, no actions are required from partners in SYNERGIE-CTE, but to get in contact with the centralised controllers.

5.2. Guidance on SYNERGIE-CTE

The URBACT Secretariat has developed a series of Guidance Notes on how to use SYNERGIE-CTE.

In the following table, you will find **which Guidance Note(s) to use depending on the role you have in the URBACT network life cycle**: *Lead Partner, Project Partner, First Level Controller* or *National Approbation Body*.

If a Guidance Note has the URBACT star under a specific role, it means that this specific Guidance Note is relevant to them.

As a Lead Partner, you should transfer the relevant Guidance Notes to your Partners so they are aware of the technical steps they have to take in SYNERGIE-CTE. All Partners (Lead Partner <u>and</u> Project Partners) should transfer Guidance Note 6 to their First Level Controller.

	Lead Partner (LP)	Project Partners (PPs)	First Level Controller (FLC)	National Approbation Body (NAB)
GUIDANCE NOTE 0 *Introduction*	⭐	⭐	⭐	⭐
GUIDANCE NOTE 1 *Getting the FLC approved*	⭐	⭐		
GUIDANCE NOTE 2 *FLC Approval by National Approbation Body*				⭐
GUIDANCE NOTE 3 *Accounting Expenditure*	⭐	⭐		
GUIDANCE NOTE 4 *Producing a Project Payment Claim*	⭐			
GUIDANCE NOTE 5 *Progress Report*	⭐			
GUIDANCE NOTE 6 *Certification of Expenditure by FLC*			⭐	
GUIDANCE NOTE 7 *Entering ERDF Payments*	⭐	⭐		
GUIDANCE NOTE 8 *Monitoring & Exports*	⭐	⭐		
GUIDANCE NOTE 9 *Add a Contact Person*	⭐			

5.3. SYNERGIE-CTE Process

The flowchart below clarifies the **required steps for Lead Partners and Project Partners to enter expenditure on SYNERGIE-CTE, for the Lead Partner to submit a Payment Claim and a Progress Report, and finally for all partners to be paid.**
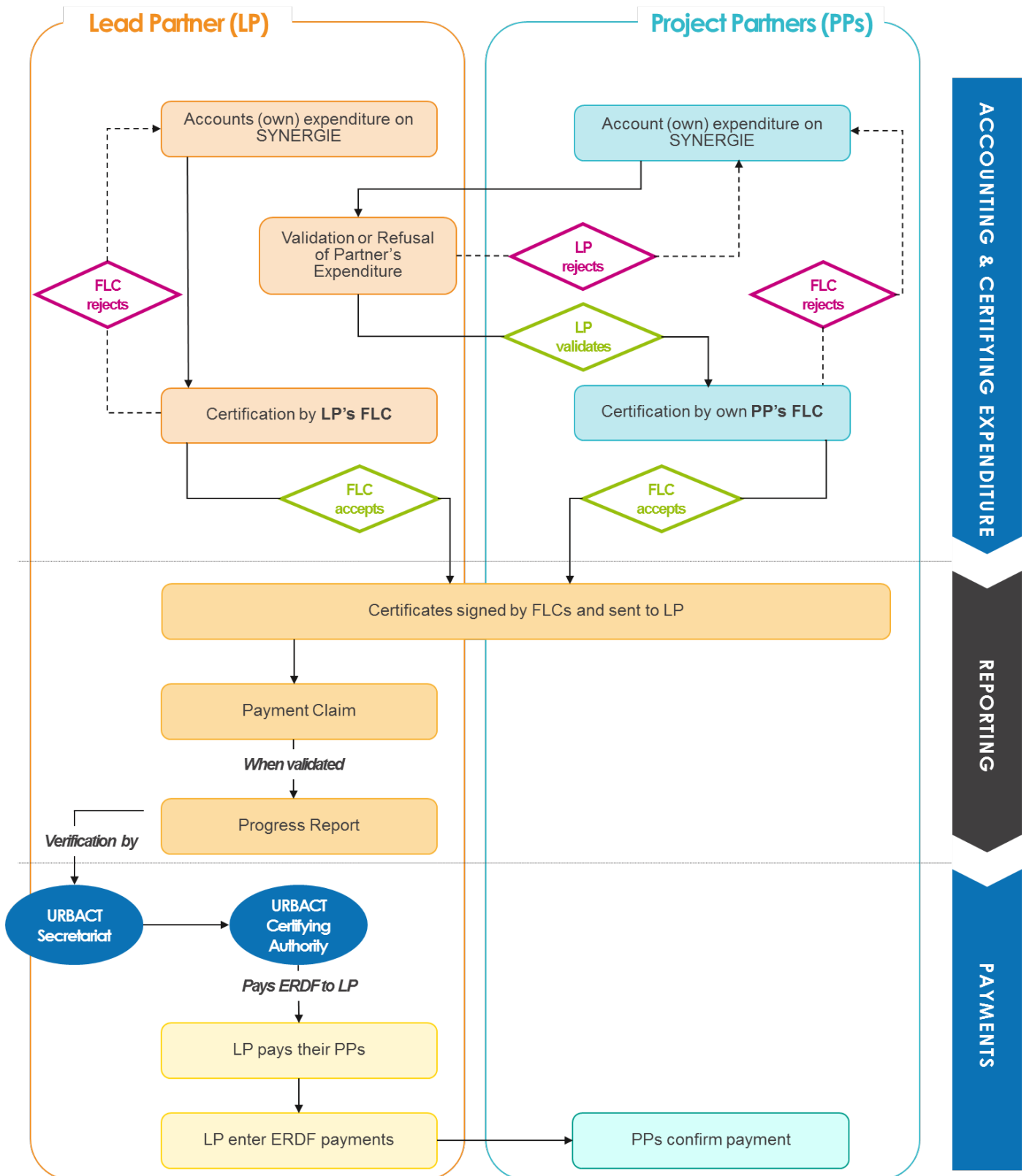
06.

WORKING IN A TRANSNATIONAL CONTEXT

Working in a transnational context can be difficult – differences in procedure, culture and language are often causes for delays. There is no magical solution to these differences; it is what makes Europe and   URBACT networks so interesting!

We do have some ideas on how to make the most of working with such a diverse group of people.

01 Understand the rules and requirements

- **Do not underestimate costs and time** associated with the Lead Partner role including resources required for the network management team
- Be familiar with **EU Regulations** and the **URBACT** Operational Programme and especially the Programme Manual — they provide you with all the rules, regulations, deadlines, etc.
- Ensure activities do **not break European, Programme or national rules**
- Make sure that, **within your team, the tasks are properly allocated** and clearly differentiated, to make the best use of your staff.

02 Getting to know your partners

It's very important to get to know your partners and create a good team spirit from the start.

- Organise a **first online meeting** so that everyone gets to know each other
- Don't assume everyone can use web tools – tell partners to start the procedures for allowing access to web tools as it can take a long time.
- Use the Guidance available – Animating meetings and the Events Guide. URBACT Experts have also developed some useful tools like the Hints and Tips for Online Facilitation or Enter the 'facilitar': URBACT's guide to online facilitation.
- Plan **a social event during the first meeting** – you will find nice ice breaking ideas in the "Getting results through animated meetings: seven top tips" Guide
- Organise **joint dinners and block book accommodation** creating an opportunity to all be together even in the informal moments – building a team spirit
- Let partners know that they have a **support network with the other partners**
- Be vigilant and **help partners** who are finding it difficult to integrate
- Prepare **team co-producing activities** (design the network logo together for example)
- **Be patient** with partners who are less confident working in English
- Have **frequent communication** – you could use emails and phone calls, but face-to-face and online meetings are essential to build trust.

03 Planning, Organisation & Decision-making

- **Be clear on duties/responsibilities** and what you expect from your partners (make sure the objectives from the network are clear to all partners).
- Lay out **important principles of partnership** work (cooperation, deadlines, information requirements, etc.)
- Set-up a **calendar** for **the whole life of the network** from the beginning (for administrative and financial issues and for the production of the outputs).
- Set up **internal deadlines** in order to make sure that you don't miss the Programme deadlines, also taking into account deadlines specific to Member States/municipalities (delays in reporting can cause delays in refund of ERDF)
- **Maintain accurate and complete Progress Reports** through the whole lifetime of the network, create internal working procedures, take notes and document your activities (it helps you in reporting issues to the URBACT Secretariat and makes things easier in case of staff changes)
- **Decision-making procedures should be clear and inclusive** – set up a steering committee and use the transnational meetings to discuss the decisions needed. Use web tools to have online virtual meetings.
- Take time in meetings to **discuss administrative issues** and **remind partners of deadlines** – allow partners to ask questions. You can even ask the URBACT Secretariat to attend if there are particular points which require attention. We especially encourage this at the beginning of the network's life. The more practice you and your partners get, the more virtual those administrative meetings can be to allow more time for content.
- **Organise your work with the Lead Expert** – plan activities together, check the invoices carefully. If things aren't working well you can change for Phase 2.
- **Set up a network manual on the different aspects** (internal network evaluation and review, reporting requirements and deadlines, auditing and control procedures, internal communication, organisation of partner meetings, dissemination plan, etc.).

04 Preparing your first meeting

- **Set a date as soon as possible** – check with all partners – it is crucial that they are all present
- **Allow time to get to know each other** – see comments in previous section
- This is the first meeting it sets the tone for all future ones – make it good
- Make sure that **everybody receives indications on travel and logistics** – try and get everyone in the same hotel
- Make sure that **everybody comes prepared to the meetings** (elaborate and provide materials to all partners in advance)
- **Use the time carefully**: allow time for each partner to present their city but avoid long presentations, and save time for wrap ups and for discussing even financial and administrative issues
- **Good moderation and good animation skills** are necessary to make the most of the short time you have together
- **Fix the date and venue** of **the next meeting**

The URBACT Secretariat will support you in your journey:

> Participate in dedicated seminars/webinars organised.

> Invite the URBACT Secretariat to attend and present the Programme during your first meeting – they can also help with setting up actions you will need to discuss

> Keep the URBACT Secretariat informed about any issues.

> Do not hesitate to contact the URBACT Secretariat, in case of a doubt.

> Get in touch with national contacts, if you are unsure about Programme or national rules. The URBACT Secretariat can help identifying the right national contact if need be.

> Take part in the events and capacity-building actions organised by the Programme (Summer University, e-University, City Festival). It allows your partners to get the flavour of the Programme and to improve their knowledge. The URBACT Secretariat will invite you to inform your partners about these activities.

07.
MONITORING

Establishing systems to monitor the network's activities and finances on an ongoing basis will help you for the formal reporting. It is strongly recommended that you consult the network application form regularly to monitor on all aspects of the network – activity (transnational and local), outputs, financial and budget.

Monitoring of networks progress is required formally each year as part of the reporting activity. However, as the Lead Partner, **you should be monitoring different aspects of your network** (including activities, outputs, finances and budget) **on a regular basis**.

7.1. Monitoring Activities & Outputs

In your application form, you committed to deliver a work plan through activities and outputs. As a Lead Partner, you are **responsible to ensure that this work plan is respected** and **need to monitor** that these activities, on transnational or local level are being organised and taking place according to the established calendar. As a Lead Partner, you should monitor the following:

01. Network Activities
- Ensure calendar and work plan are respected
- Ensure partners are active and taking part in these activities. Involvement of partners is crucial to the dynamics of the network.

02. Activities of your Partners
Follow-up your partners' organisation of local activities:
- URBACT Local Group (ULG),
- Local dissemination events,
- Progression of their Integrated Action Plan (IAP), Operational Implementation Framework (OIF) or Transfer Diary, etc.

03. Outputs
- Compulsory outputs fixed in your application form – part of the contractual documents.
- Anticipate problems by carefully monitoring network progress
- Consider qualitative data about added value of working in the URBACT transnational context when carrying out surveys or visiting partners.

04. Activities of the Lead Expert & Ad hoc Expert
- The no. of days allocated to the Lead Expert for Phase 1 is fixed so careful monitoring is needed.
- Phase 2 is more flexible in terms of using ad hoc experts and Lead Expert within a maximum envelope.

HINTS & TIPS

- Do not create hundreds of outputs which are difficult and time consuming to follow up.
- Fix outputs that can be measured and for which evidence can be easily provided
- Be realistic with the numbers – you can always exceed your expectations!
- Inform partners which outputs they will contribute to – transnational meetings/webinars, ULG meetings, dissemination events, etc.
- Establish a procedure for partners to easily upload meeting information so you can keep records up to date – use a template document if it helps.
- Follow your progress using a basic monitoring table so problems can be easily identified
- Keep evidence – attendance lists and meeting reports are part of the evidence needed so make them systematically part of the data collection.

If along your monitoring you notice that some minor updates or more important modifications are needed in terms of dates, content, number of meetings (…), you can inform the URBACT Secretariat regularly and you will have to notify any update in the regular reporting round in any case. A reprogramming may be necessary (*see Factsheet 2E – Section 5: Reprogramming and Budget Flexibility for more details*). See also Reprogramming procedure below.

7.2. Monitoring Finances & Budget

All rules and procedures that must be followed by your network concerning financial and control matters are detailed in Factsheet 2F. Please refer to it for more information.

7.2.1. GENERAL PRINCIPLES

In your application form, you outlined a network budget which is the accumulation of the individual partner budgets. As a Lead Partner, you are **responsible to ensure that this budget is respected** and need to **monitor that the declared costs are linked to activities foreseen and are eligible according to the network budget**. You should have at the same time information on all the partners' individual budget progress and an overview of how this looks at network level.

As a Lead Partner, you should monitor the following:

01. Financial Management System

Pick one of the 3 systems (mentioned in the Joint Convention):
- **Decentralised** (highly recommended by the URBACT Secretariat,
- Mixed
- Centralised

02. Financial Situation

- Monitor the network budget in real time to ensure that no budget category/partner budget exceeds more than the 20% allowed (Budget Flexibility rule)
- All variations to the programmed budget should be reported (underspends and overspends)

03. Eligibility of Costs and Activities

- Check if a cost is presented in the correct budget category before you validate it (see Factsheet 2F for more information)
- Ensure the costs presented were planned as part of your network and are linked to eligible activities

04. Partners' budgets

- Monitor how your partners are using their budget: *Overspending? Underspending? Inputting costs in the proper budget category?*
- Monitor the budget by budget lines and partner
- Make sure your partners are in touch with their FLC to stay up to date with national and local rules

HINTS & TIPS

- Learn how to extract information from the SYNERGIE-CTE monitoring tool. You can get information on all the points listed above concerning the financial situation. You can export costs, monitor the network budget but also each partner's budget - see SYNERGIE-CTE Guidance Note N°8 on Monitoring & Exports
- Do not complicate your budget – keep it simple and follow the guide provided by the URBACT Secretariat in the call for proposal
- Provide all partners with a list of eligible costs – it is in the Programme Manual but they will not be aware of this unless you tell them
- Turn to the URBACT Secretariat if you suspect some costs might not be eligible
- Avoid a mixed management system with shared costs – it is impossible to follow up using the SYNERGIE-CTE tool and will need extra work on your behalf
- Keep SYNERGIE-CTE up to date – input regularly and ask your partners to do the same
- Always keep in mind that SYNERGIE-CTE is not only a tool for reporting but a tool for monitoring for several people (Lead Partners, Project Partners, Certifying Authority, URBACT Secretariat, Managing Authority, Audit Authority, Member States and Partner States) to follow-up on your network.

7.2.2. COMPOSITION OF YOUR BUDGET

Your Application Form includes a detailed budget for your network. In a network with two phases, **the budget shall be developed for Phase 1 and shall be updated for the Phase 2 application**.

> If your network is approved and goes through Phase 2, the whole Phase 1 and Phase 2 budget is cumulative and unique for the whole duration of the project. That means unspent Phase 1 budget can therefore be recycled for Phase 2.
> It can then be adjusted in Phase 2, at mid-term, using the reprogramming opportunity.

The budget is divided into 5 budget categories (***Staff Costs, Office & Administration Costs, Travel & Accommodation Costs, External Expertise & Services Costs*** and ***Equipment Expenditure***) and into budget lines for each partner.

Your network budget – made of your and your partners' individual budgets – is broken down as follows:

BUDGET CATEGORY	BUDGET LINES
Staff Costs	Lead Partner Staff Costs
	Project Partner Staff Costs
	Total Staff Costs
Office and Administration	Lead Partner Office and Administration
	Project Partner Office and Administration
	Total Office and Administration
Travel and Accommodation	Staff Travel and Accommodation
	Total Travel and Accommodation
External Expertise and Services	Lead Partner External Expertise Project Coordination
	Project Partner External Expertise Project Coordination
	Expertise Meeting Organisation
	Expertise Communication
	Expert and other non-staff Travel
	Expertise First Level Control
	Total External Expertise and Services
Equipment	Equipment
	Total Equipment
	TOTAL

You can find a summary of these budget categories and eligible costs in Annex 2.

7.2.3. BUDGET FLEXIBILITY RULE

> **What it is in theory:**

*"The budget flexibility rule allows the project to spend the available budget with a flexibility of up to 20% of the amount approved **for each budget category** and **each partner's budget**, whenever it is needed (not only once) as long as the maximum amount of ERDF, Norwegian and Swiss funding awarded remains the same."*

Fact Sheet 2E, https://urbact.eu/sites/default/files/fact_sheet_2e_12-2018.pdf

> **What it is in practice:**

As you can see in the flowchart below, **you can move up to 20% of your approved budget money freely between partner's budget and between budget categories at network level** (i.e. Staff, Office & Administration, Travel & Accommodation, Equipment, External Expertise & Services) without approval from the URBACT Secretariat or formal reprogramming procedure.

20%MAX
Budget flexibility **between partners**

Lead Partner	Project Partner 1	Project Partner 2	Project Partner…
Staff	Staff	Staff	Staff
Office & Administration	Office & Administration	Office & Administration	Office & Administration
Travel & Accommodation	Travel & Accommodation	Travel & Accommodation	Travel & Accommodation
Equipment	Equipment	Equipment	Equipment
External Expertise & Services	External Expertise & Services	External Expertise & Services	External Expertise & Services

20%MAX
Budget flexibility between budget categories at network level

External Expertise Project Coordination
Expertise Meeting Organisation
Expertise Communication
Expert and other non-staff Travel
Expertise First Level Control

Flexibility between budget lines with no limit

YOUR NETWORK BUDGET

This only affects the receiving partner's overall budget / receiving budget main category at network level, as it cannot be increased by more than 20% (compared to what was approved in the Application Form). However, underspends are not affected by this rule as you could underspend as much as you want in theory *(we do not want that though as it might mean there is a problem here)*.

E X A M P L E

PP 1 (with a budget of 50,000.00 EUR) has left the network, its budget is now available. PP 2 (with a budget of 60,000.00 EUR) can have its budget increased thanks to the underspend with PP 1.

HOWEVER, PP2's budget can only be increased by 12,000.00 EUR (= 60,000.00 EUR x 20%). **AND** at network level, if you are taking these 12,000.00 EUR from the same budget category in PP1's budget and in PP2's budget, there is no problem.
BUT if you move the 12,000.00 EUR to a different budget category in PP2's budget, you will have to make sure, at network level, that the increase in the receiving budget category is not exceeding the 20% allowed.

The overall network total budget approved must not increase.

Budget deviations under the flexibility rule are not considered as network changes. These changes – if within the 20% Budget Flexibility rule – should be **reported to the URBACT Secretariat and detailed in the Progress Report**.

Note that this 20% flexibility rule applies between main budget categories e.g. money can be spent freely within each partner's budget lines/sub-categories under the External Expertise and Services budget category – as long as the approved activities and outputs are delivered in accordance with the approved Application Form.

It is your responsibility, as Lead Partner, to check if, at network level, deviations of your partners' budgets / budget categories are not exceeding the 20% allowed. A simple way to check that, if you have not done it already, is to use a spreadsheet with your approved network budget (by budget categories and by partners), add a column with the maximum amount allowed by the budget flexibility rule and another one with the real expenditure of your network.

You — as Lead Partner — only can tell if your network budget is in line with the budget flexibility rule since you have an overview of it, should know the real budget and can compare it with the approved budget.

If you think one of your partners' budget or one of the budget categories, at network level, will be higher by 20% than the approved budget, you will need to follow the reprogramming procedure (see 8.3.2. Reprogramming Procedure below).

> **What it is not:**

❌ **A way to increase your overall budget by 20%**: the overall budget cannot be increased with the budget flexibility rule.
❌ **Budget flexibility between budget categories at partner level**: the 20% flexibility rule between budget categories does not apply to partners' budgets — it needs to be monitored at network level. Theoretically, you could move the entire budget of one of your partners to another partner's budget IF the increase of the receiving budget was not exceeding the 20% limit. That is the case if one of your partners dropped out after the Phase 2 approval *(see above example)*.

08.
REPORTING & PAYMENTS

8.1. Official reporting

Progress Reports (PR) are extremely important as they allow the URBACT Secretariat to make sure that you and your partners are implementing actions as foreseen in the approved application form. They also provide the URBACT Secretariat with information about your needs which can help in the design of capacity building actions at Programme level.

Throughout the lifecycle of your network, you will be required to report on your progress:

> **Three times** if your project is composed of two phases: at the end of Phase 1, in the middle of Phase 2 and finally, at the end of Phase 2;

> **Two times** if your project is composed of a unique phase.

> See 02. Timelines for a visual representation of the project lifecycle including the "**accounting expenditure**" and "**reporting**" aspects.

For each period, the documents to be submitted are *usually* (in chronological order of completion)*: one FLC certificate per partner, one Payment Claim and one Progress Report per network.*

All partners' FLC certificates need to be completed, signed and sent to the Lead Partner before producing the Payment Claim and the Payment Claim needs to be submitted before the Progress Report; otherwise, the financial tables will not add up correctly.

8.1.1. ONE CERTIFICATE PER PARTNER

In order to be certified, the costs entered on SYNERGIE-CTE by your partners must be first validated by you as the Lead Partner. Then they will be certified by their FLC who can then produce a certificate. Once completed and submitted, this certificate should be downloaded as a PDF and signed by the approved FLC. A scan should be sent to the LP and the original kept with the partner.

All partners' signed certificates should then be sent along with the Payment Claim and Progress Report.

Even though it can happen that not all the partners produce their certificate on time or they prefer to produce one certificate for the entire network life, **we strongly recommend that you encourage partners to declare their costs regularly otherwise you cannot correctly monitor your budget**.

> **Setting an internal deadline to gather all certificates is crucial.** Depending on the control system of your partners, more time will be needed to get the expenditure approved.
> There is only one Reporting deadline per year so if one of your partners misses it, they will have to wait for the next deadline, the following year.
>
> **Pay special attention to centralised control systems** as well as **to countries which have FLC specificities** (e.g. countries with a two-step process where the FLC has to certify the expenditures and validate the certificate and the national body has also to validate this before it can be included in the claim).

8.1.2. ONE PAYMENT CLAIM PER NETWORK (SUBMITTED BY THE LEAD PARTNER)

It is up to the **Lead Partner to produce the Payment Claim which aggregates all the submitted certificates**. The production of the Payment Claim is only possible after the production of certificates by the Lead Partner and Projects Partners.

The Payment Claim should be completed and signed by the Lead Partner. A scan should be sent to the URBACT Secretariat.

For technical support on producing a network Payment Claim, please refer to SYNERGIE Guidance Note 4.

8.1.3. ONE PROGRESS REPORT PER NETWORK (SUBMITTED BY THE LEAD PARTNER)

As the **Lead Partner**, you have to coordinate the reporting of your network. The ERDF refund that occurs is directly linked to this reporting. As a result, you will also have to submit a Progress Report with each Payment Claim. **Your partners do not have to submit individual Progress Reports: the Progress Report submitted by the Lead Partner in Synergie-CTE is for the entire network**.

As a **Lead Partner**, you are **responsible for coordinating the submission of the Progress Report (PR)**. The LP alone is not able to fill in exhaustively the PR. You should collect the information from your partners during meetings or elaborate a template and circulate it to partners in advance.

> We strongly recommend that you **collect progress at partner's level on a regular basis** instead of asking them to send you information only for the reporting period concerned. Indeed, they might forget things after such a long time and it might cause some problems in the follow-up of your network's activities. This recommendation also applies for the LP.

The Progress Report will ask for a description of the main achievements in the reporting period and will ask for you to report on each work package, as well as providing details on financial progress.

The Progress Report is **co-signed by the Lead Partner** and the **Lead Partner's FLC**, **scanned and sent to the URBACT Secretariat**. You do not need to send hard copies of the Progress Report, Payment Claim and FLC Certificates by post.

> Once you have all the documents signed and scanned, prepare a package to be **sent electronically** to the URBACT Secretariat.

For technical support on completing and submitting a Progress Report, please refer to SYNERGIE Guidance Note 5.

For adapted procedures under Covid-19 and specific exceptional circumstances, refer to Annex 5.

8.1.4. GUIDANCE FOR REPORTING
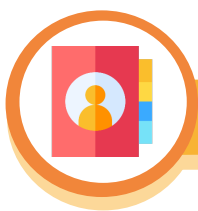
IDENTIFY who are the relevant contacts in your partners' team (Administrative/Finance Officers) and get in touch with them beforehand.
Identify the FLCs and make sure that they know the internal deadlines *(refer to Annex 1 about the description of FLC systems by Member State)*.

PREPARE YOUR REPORTING ROUND IN ADVANCE. Make sure the deadlines are clear for your partners. Always set up internal network deadlines ahead of Programme deadlines. Allow time to get the documents approved by the FLC and for corrections too if there are mistakes in certificates. Check availability of partners during reporting deadlines – encourage their holidays outside the reporting periods. Take a look at the documents required so you can prepare well in advance for what information is needed.

COORDINATE WITH YOUR PARTNERS. The task of the Lead Partner is to check and collect what is produced by the Project Partners. Once you get everything correct, you should send it to the URBACT Secretariat.

RESPECT THE DEADLINE SET BY THE URBACT SECRETARIAT. After you submit the documents, much work needs to be done by the URBACT Secretariat to review these documents and prepare the payment requests. Delays in submission mean late payment to projects.

DESCRIBE YOUR PROGRESS IN DETAIL AND COLLECT EVIDENCE OF WHAT YOU ARE DECLARING PERIOD BY PERIOD — reducing significantly questions you asked by URBACT Secretariat and potential problems in case of audit.
Mention problems and delays. This information helps the URBACT Secretariat in understanding your situation and providing you with the right support.
The URBACT Secretariat uses the information in the Progress Reports to provide updates to the Monitoring Committee, to identify the topics of training sessions, for dissemination activities at international level and for the implementation of the Programme itself.

8.1.5. REPORT STRUCTURE AND CHECKLIST

The Progress Report is mainly focused on three areas that will be checked by the URBACT Secretariat: **Narrative Part**, **Outputs** and **Expenditure & Budget**. This package needs to be complete, allowing the URBACT Secretariat to review it.

To help you completing your Progress Report, you can find in Annex 3, a detailed checklist of 4 steps that you and your Partners can use to ensure you do not miss anything.
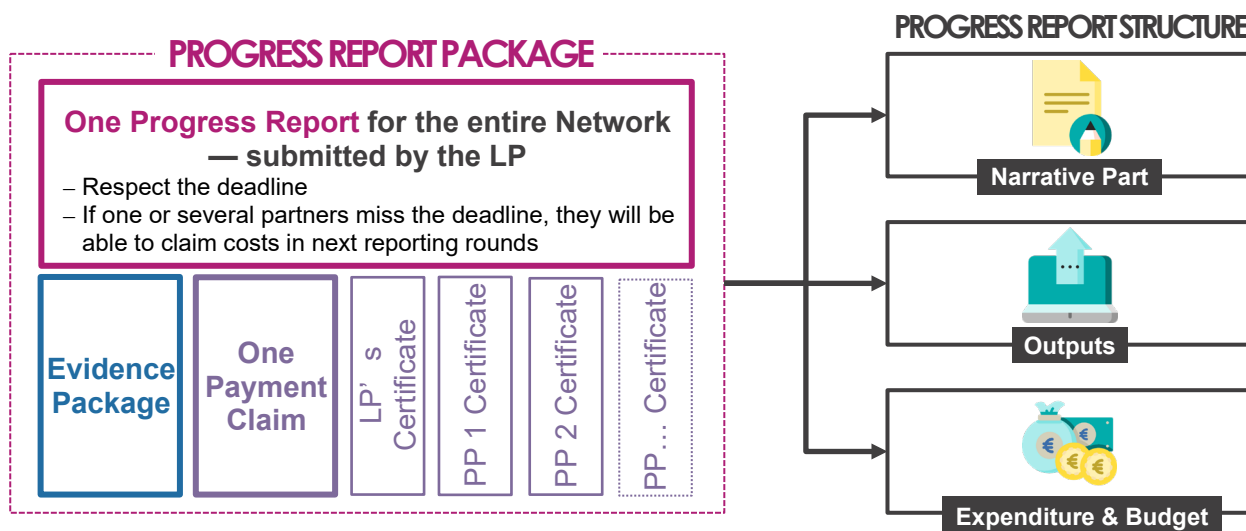
8.2. Review and Payment

8.2.1. THE PROCESS

Once you submit your reporting documents, the URBACT Secretariat will proceed with **the review of your reporting documents** and **prepare the request for payment to be sent to the Certifying Authority** (CA).

The URBACT Secretariat will at the same time review the description of your realised activities and check the claimed costs to ensure they are in line with the Programme rules. You will be asked to provide evidence of the declared outputs as well as electronic copies of network products.

During this procedure, you and your partners might be asked to provide further details or clarification on some points. This is why it is very important to remain available during this time, so that pending issues don't stay unanswered for too long! Answers must be provided by the FLC as they will be best placed to confirm the financial and eligibility questions we have.

Once everything is cleared, the URBACT Secretariat sends the request for payment to the Certifying Authority (CA). The CA will proceed with its own verifications and will give the green light for the payment to be done, may they have no additional clarification requests.

8.2.2. ENTERING ERDF PAYMENTS ON SYNERGIE-CTE

Once we inform you that payment has been made, you will have to check when the ERDF money arrives on your LP bank account and transfer the ERDF due to your partners as soon as possible (no longer than one month).

In order to help monitor that everyone receives their share of ERDF please make sure to update SYNERGIE-CTE, to input the date of receipt of the payment and ask your partners to do the same once you have paid them.

For technical support on entering ERDF payments, please refer to SYNERGIE Guidance Note 7.

8.3. Reporting Changes

8.3.1. MINOR AND MAJOR CHANGES

	Minor Changes	Major Changes
WHAT?	**Do not have any impact on the Application Form or the Subsidy Contract.**	**Have a direct impact on the Application Form and usually on the contractual documents of your network too**. Can be avoided through good planning and have to be otherwise **duly justified**.
WHEN?	**Can happen anytime but the URBACT Secretariat needs to be informed**: at any point and/or in any case in the next Progress Report. The URBACT Secretariat takes note and makes updates when relevant.	**Need to be approved via a reprogramming process and may require an amendment to the Subsidy Contract**. Enter in force only once approved by the Monitoring Committee.
EXAMPLES	▪ *Change in contact information if a member of one of the partners' team is changing,* ▪ *Change in bank details,* ▪ *Rescheduling of activities (calendar),* ▪ *Small budget deviation (within the 20% flexibility rule)*	▪ *Change in the partnership (withdrawal or replacement of one of the partners). In case a new partner is replacing a dropout partner, a letter of commitment from the new partner as well as a letter of de-commitment from the dropout partner must be provided,* ▪ *Removal or addition of objective/actions with related update of the work plan and/or list of expected outputs,* ▪ *Changes in the budget in excess of the 20% flexibility rule,* ▪ *Changes in the budget between partners in excess of the 20% flexibility rule.*

8.3.2. REPROGRAMMING PROCEDURE

All changes, all deviations in your budget can be formalised using the reprogramming opportunity (once in project's time duration, mid-point). You will be able to amend your entire budget if needed to better suit your real network's activity / budget.

The Reprogramming process – for major changes - can be described as follows:

1. The URBACT Secretariat **sets the procedure and deadlines for reprogramming** – by usually providing template documents.

2. The Lead Partner submits a **scanned version of the official request letter signed**.

3. The URBACT Secretariat proceeds to **check the request** and ask for clarification if needed. The Secretariat then opens a reprogramming session and **makes the requested changes** directly in the final application in SYNERGIE-CTE. The LP can check and validate the changes.

4. The LP has to submit a **revised signed Final Application Form** along with the contractual documents requested (if applicable, letter of de-commitment, new letter of commitment, etc.).

5. All reprogramming requests are reported into the Monitoring Committee dossier for the next Monitoring Committee meeting. The **Monitoring Committee takes an official decision**.

6. Following this decision, Lead Partners shall receive an **official notification** and the **revised Final Application Form** shall be approved in SYNERGIE-CTE. The additional contractual documents should be updated, if applicable (new Subsidy Contract and new Joint Convention).

For all ongoing or upcoming networks: the reprogramming will normally occur after the Mid-Term Reflection. Given the length of the procedure, it is possible to make only one reprogramming during the life of the project. That is why it is really important to organise this reprogramming procedure well.

Reprogramming requests are usually a formality, but they still need to go through this entire process with final approval by the Monitoring Committee (*detailed instructions will be communicated in due time*).

H I N T S   &   T I P S

- Prepare in advance by contacting all your partners with a short list of questions
- Review all aspects of the network – dates, budget, outputs and report any changes
- Take the opportunity of the midterm reflection to allow changes to partner budgets if needed
- Prepare specific meetings with partners and be prepared to be firm with underperforming partners

8.4. Network Closure

8.4.1. GENERAL PRINCIPLES

At the end of Phase 1, there will be no formal closure. Approved applications shall receive an amendment to their original subsidy contract which marks the final stage of approval of the Phase 2 network (additional information on the subsidy contract is available in Fact Sheet 2E). The network shall then be fully operational and can start working on Phase 2.

If your network is not approved for Phase 2, partners will be refunded on the basis of the reported, certified and claimed costs. Nothing more will be requested.

For all approved networks, a formal closure will take place at the end of their project.

8.4.2. THE CLOSURE PROCESS

The Lead Partner has an important role to play in closing the network. Lead Partners are requested to submit the same documents as for every other reporting period. However, in addition, there are two other reporting documents to submit (*detailed instructions will be communicated in due time*):

> **The closure report** is a qualitative survey about your experience with URBACT. It is an opportunity to summarise the lessons learnt, the issues encountered in the network activities and management. It is important for us to better understand your issues to improve the Programme in the future. This report will monitor Programme result indicators which need to be reported at Programme level to the European Commission.

> **The final outputs**: you can already list the outputs/proofs beforehand. This will allow you to save a lot of time during the closure period. It can be time-consuming to chase outputs once the network is closed. Make sure that partners provide all their deliverables on an ongoing basis. Make sure to find a proper ordering system for the output, by partners and events for example.

HINTS & TIPS

- Ensure that your partners provide the requested information early in the process and stay available until the very end of the network life will save a lot of time.
- Remind your partners to submit "final" certificates (and not interim like for the other reporting periods) and "final" payment claim.
- Make sure that FLC are involved in the closure process. Involve the FLC even for the clarification round.
- Make sure well in advance that partners are aware of their obligations and available to answer questions from the URBACT Secretariat and the Certifying Authority.
- If the team in one of the Municipality is getting dissolved, make sure to get the information about which person/service will take over as main contact in charge of the network's follow-up and closure.
- In the progress report, you will have to justify not only the realisation of the outputs and deliverables but also the financial aspects, like the over-spending or under-spending. You should collect the information from your partners on an ongoing basis during the network life.

09.
RECORD KEEPING & AUDIT

Why is record keeping so important? It is the basis for good network management and it makes your job as Lead Partner easier so what better reason to take on board our recommendations based on the experience of previous URBACT networks.

A detailed list of what should be kept can be found in **Annex 4** (the list of documents required for audit). It is crucial to organise files to facilitate reporting and possible audit. Files can be both paper and electronic.

Our recommendations for a well organised record keeping system are based on 5 main sections:

1. Contractual documents & Guides

Paper and scanned versions of all the **signed originals** of **Application Form**, **Subsidy Contract**, **Joint Convention**, **Expertise forms**, **correspondence**, **public procurement contracts**.
Useful guides URBACT has developed – printed out and ready to easy access and consultation.

2. Network Activities & Deliverables

All electronic versions of **documents linked to the main activities of the network**.
Organised around each work package and should have information on: *transnational meetings (agenda, invitations, notes of the meetings, reports or other outputs, photos and attendance sheet), communication and dissemination activity at network level, brochures, newsletters, etc.*

3. Partners Local Activities & Deliverables

Copies of local partner meetings in electronic format *including agenda, attendance sheet, meeting notes, promotional materials and presentations at local level*.
All partners should be asked to send you copies of notes of meetings even if in local language.

4. Budget & Financial Management

All **relevant information on partners' budgets, follow up tables on the budget, documents related to the financial management system and ad hoc agreements with partners, information on FLC nominations and approval**.

5. Costs of the Lead/Project Partners

It is crucial to keep **good records of incurred expenditure**.
We recommend that **each individual expense is stamped as 'paid'** and numbered in a plastic wallet with **all the supporting documents** (or notes as to where they can be found). Costs should be organised for each certificate produced to facilitate the work of the FLC and to help in avoiding double counting. **Once certified, costs should be stamped 'certified'**. A **proof of payment** is always necessary.

Please share these recommendations with your Project Partners who also need to organise their files. Indeed, your network can be audited at any moment in its lifetime by a variety of different bodies. Details of these audits can be found in Factsheet 2F. Don't panic as the URBACT Secretariat will be at your side to help.

Records related to the network must be kept at least until 31 December 2025 — longer statutory retention periods may apply according to national rules.

H I N T S & T I P S

- Brief all the LP team together on record keeping requirement – get everyone cooperating and avoid having loads of copies of the same documents!
- Be sure to inform partners of these requirements – use the first meeting for setting out the ground rules – the URBACT Secretariat can help doing this so you are not the bad guy at the first meeting!
- Create network codes in your accounting system
- Create a local server for all your URBACT network files
- Ask about national rules on document retention
- Scan documents to save space – digital versions are acceptable for audit

For adapted procedures under Covid-19 and specific exceptional circumstances, refer to Annex 5.

ANNEXES

Annex 1 — Overview table of the FLC systems in each Member State

Different control systems have been proposed by Member/Partner States.

Before submission to the URBACT Secretariat, each cost has to be verified and confirmed by an independent first level controller compliant with the first level control system set up by each Member State and Norway/Switzerland in accordance with Article 125 of Regulation (EU) No 1303/2013 and Article 23 of Regulation (EU) No 1299/2013.

It entails the following checks:

> Verification of the delivery of the products and services co-financed (as described in the approved Application Form);

> Verification of the soundness of the expenditure declared;

> Verification of the compliance of such expenditure with Programme, community and national rules.

It is the responsibility of each Member State and Norway/Switzerland to designate the controllers responsible for verifying that the expenditure declared by each partner participating in a network complies with the applicable law and the Programme rules and that the funded products and services were delivered and paid.

In principle, two systems are possible, depending on the Member State:

> A **centralised control system** at national/regional level through a public administrative/private body.

> A **decentralised system** where the controller is proposed by each partner to a central national/regional approbation body. The controller can be internal or external, private or public as long as they are qualified and from a unit independent of network activities and finances.

In a few other cases, there are some variations within these 2 models, notably decentralized control system where the controller has to be confirmed from a list of nominated first level controllers established at national level.

A contact person is mentioned for each Member State in the description of the national systems below for the partners to have more information.

CENTRALISED CONTROL SYSTEM

In a centralised system, a national/regional central public/private body will control the costs of all partners of the same country.

In this case, the costs of the control are normally borne by the Member State.

CENTRALISED		
COUNTRY	**FLC COSTS CHARGED TO PROJECT**	**CONTACT PERSON**
BELGIUM– BRUSSELS CAPITAL REGION	Yes	**Ilias LAMDOUAR** Brussels Regional Public Service First-level control unit for ETC programmes Rue du Progrès, 80/1 1035 BRUXELLES + 32 2 204 24 34 / controlepremierniveau@sprb.brussels
BELGIUM –WALLOON REGION	Yes	**Carmelo SCIFO** WBI – Wallonie-Bruxelles International Head of Unit ETC – Audits & Controls 2 Place Sainctelette – 1080 BRUXELLES + 32 2 421 8343 / C.Scifo@wbi.be **Frédéric LAMBERT** WBI - Wallonie-Bruxelles International ETC - Audits & Controls +32 2 421 8482 / f.lambert@wbi.be **Dominique NEEF DE SAINVAL** WBI - Wallonie-Bruxelles International ETC - Audits & Controls +32 2 421 8604 / d.neefdesainval@wbi.be
CROATIA	Yes	**Ms Anka Javora** Ministry of Construction and Physical Planning Directorate for Physical Planning, Legal Affairs and Programmes of the EU Senior Adviser Ulica Republike Austrije, 10000 Zagreb, Croatia +385 1 3782 159 / anka.javora@mgipu.hr **Josip MALOGORSKI** Agency for Regional Development of the Republic of Croatia (ARD) Directorate for First Level Control Ulica grada Vukovara 284 (Objekt A) 10 000 Zagreb CROATIA +385 (0)1 64 00 668 / josip.malogorski@mrrfeu.hr **Andrijana GAVRAN** Agency for Regional Development of the Republic of Croatia (ARD) +385 (1) 4811 285 / andrijana.gavran@mrrfeu.hr
CZECH REPUBLIC	No	**Ms Elilska Pilnà** Ministry of Regional Development of the Czech Republic Department of Regional Policy Staromestské nàmesti 6, 110 15 Praha 1 CZECH REPUBLIC +420 224 864 238 / Eliska.Pilna@nmr.cz

	Jiří JANSA Centre for Regional Development Department of the European territorial cooperation U Nákladového nádraží 3144/4, 130 00 Praha 3 CZECH REPUBLIC +420 225 855 309 / jiri.jansa@crr.cz	
ESTONIA	No	Imbi Uusjärv State Shared Service Centre, Grants Administration Department Interreg Projects Supervision Unit Lökke 4, Tallinn 10122, ESTONIA +372 663 1900 / imbi.uursjav@rtk.ee
GREECE	No	**Christos TSIKMANLIS** Single Paying Authority for CSF 11 Navarchou Nikodimou str. 105 58 Athens GREECE +30 213 15 00 471 / 475 / ctsikmanlis@mnec.gr **Eleni Katsafadou** Single Paying Authority for CSF 11 Navarchou Nikodimou str. 105 58 Athens GREECE +30 213 15 00 480 / 453 / ekatsafadou@mnec.gr
HUNGARY	No	**MR:** Tamàs Dömötör Prime Minister's Office, Department of Urban and Spatial Planning H-1054 Budapest, Bàthory utca 12, HUNGARY tamas.domotor@me.gov.hu **FLCs:** **Márta GORDOS** Széchenyi Programme Office Consulting and Service Non-Profit Limited Liability Company (Széchenyi Programiroda Non-profit Ltd.) European Cooperation Programmes Control Department Central Control Unit H-1053 Budapest, Szep utca 2 HUNGARY + 36 1 224 32 10 / mgordos@vati.hu **Szelenyi Rita** Programkoordinátor SZÉCHENYI PROGRAMIRODA TANÁCSADÓ ÉS SZOLGÁLTATÓ NONPROFIT KFT. 1053 Budapest, Szép u. 2. IV. emelet Szelenyi.Rita@szechenyiprogramiroda.hu
IRELAND	Yes	**Michael BUCKLEY** Southern Regional Assembly ETC FLC Unit Assembly House O'Connell Street Waterford IRELAND +35 351 860 700 / mbuckley@southernassembly.ie
LATVIA	No	**Imants KLAVS** Investment Supervision Department Ministry of Environmental Protection and Regional Development Peldu street 25 Riga, LV- 1494 LATVIA + 371 66016734 / imants.klavs@varam.gov.lv

		Kristīne RUSKULE Investment Supervision Department Ministry of Environmental Protection and Regional Development Peldu street 25 Riga, LV- 1494 LATVIA +371 66016772 / kristine.ruskule@varam.gov.lv
LUXEMBOURG	No	**Mr Paul Pauly** Ministère des Finances Direction du Contrôle financier 3, rue de la Congrégation L-1352 LUXEMBOURG Tél. (+352) 247-84652 / interreg@dcf.etat.lu **Mr Marc FIEDLER** Ministère des Finances Direction du Contrôle financier 3, rue de la Congrégation L-1352 LUXEMBOURG Tél. (+352) 247-82725 / marc.fiedler@dcf.etat.lu
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ROMANIA	No	**Marieta ENACHE** Ministry of Regional Development and Public Administration Directorate of First Level Control Bvd. Libertatii nr.12, sector 5 040129, Bucarest ROMANIA +40 372 111 324 / Marieta.Enache@mdrap.ro

SLOVAKIA	No	**Contact person**
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		  Ministry of Transport, Construction and Regional Development of the Slovak Republic DG for Housing Policy and Urban Development
		  Unit of State Public Works Supervision Namestie slobody c. 6, P.O. BOX 100 810 05 Bratislava
		  SLOVAK REPUBLIC
		  +421-2-5949 4566 / patrik.roman@mindop.sk
		
		Person responsible for the FLC system:
		  Elena Szolgayovà
		  Ministry of Transport, Construction and Regional Development of the Slovak Republic DG for Housing Policy and Urban Development

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DECENTRALISED CONTROL SYSTEM — FLC PROPOSED BY PARTNER & APPROVED BY APPROBATION BODY

In a decentralised system, each Member State (acting as central national/regional approbation body) has to confirm the controller after checking that the controller proposed complies with all the qualification and independence requirements.

In this case, the costs of the control are normally charged to the project however are eligible to be claimed in the regular certificates.

DECENTRALISED FLC PROPOSED BY PARTNER & APPROVED BY APPROBATION BODY		
COUNTRY	INTERNAL/ EXTERNAL	CONTACT PERSON
CYPRUS	External	**MARIOS LYONS** Ministry of the Interior Accounts department Elma House, Mnasiadou 10, 1065 Nicosia CYPRUS +35722409902 / mlyonas@treasury.gov.cy **Christiana SIZINOU** Ministry of the Interior EUROPEAN FUNDS UNIT KYRIAKOU MATSI 2, 1082 Nicosia CYPRUS +35722409920 / csizinou@moi.gov.cy
DENMARK	External	**Anja VINDUM** Danish Business Authority Vejløvej 29 DK-8600 Silkeborg DENMARK +45 35 29 17 00 / AnjVin@erst.dk
FINLAND	Internal/ External	**Tuula MANELIUS** Ministry of Employment and the Economy Regional Department Coordination and Finance Unit P.O. Box 32 FI – 00023 Government +358 29 50 64909 / tuula.manelius@tem.fi
FRANCE	Internal/ External	**Laurenca Langa** Ministère de la Cohésion des territoires et des relations avec les collectivités locales DGCL – Direction générale des collectivités locales 2, place des Saussaies 75008 Paris FRANCE / laurence.langa@dgcl.gouv.fr
GERMANY	Internal/ External	**Ms Nicole Graf** Federal Ministry of the Interior, Building and Community SW III 1 Alt-Moabit 140 10557 Berlin GERMANY Head of Division +49 30 18 681 16816 Nicole.Graf@bmi.bund.de SWIII1@bmi.bund.de

ITALY	Internal/ External	**Francesca POGGESI** Ministero delle Infrastrutture e dei Trasporti Dipartimento per le infrastrutture, i sistemi informativi e statistici Direzione generale per lo sviluppo del territorio, la programmazione ed i Progetti Internazionali- Div. VI - Autorità di pagamento ai sensi dei Regolamenti Comunitari + 39 06 44124462 / francesca.poggesi@mit.gov.it **Maria SGARIGLIA** Ministry of Infrastructure and Transport – Directorate-General for Territorial Development, Planning and International Projects Head of Unit 6 "Paying Authority according to the EU Regulations" Via Sicilia, 162/C – IT 00187 Rome+ 39 06 44124440 / maria.sgariglia@mit.gov.it
LITHUANIA	External	**Deimante JANKUNAITE** Ministry of the Interior of the Republic of Lithuania Regional policy department Territorial Cooperation Programmes Unit Sventaragio str. 2 LT-01510 Vilnius LITHUANIA + 37052718966 / deimante.jankunaite@vrm.lt
NETHERLANDS	Internal/ External	**Hanjo BLOM** Netherlands Enterprise Agency European Processes P.O. Box 93144 2509 AC The Hague THE NETHERLANDS +31 70 378 40 88 / Hanjo.Blom@rvo.nl
UNITED KINGDOM[1]	Internal/ External	**Arni NARAIN** **Neil MARSH** DCLG - Department for Communities and Local Government ERDF - Central Monitoring Authority, Strategy and Systems 1st Floor SW Qtr., Fry Building 2 Marsham Street London SW1P 4DF +44 303 44 42706 / +44 303 44 43875 / arni.narain@communities.gsi.gov.uk Neil.Marsh@communities.gsi.gov.uk

[1] For the UNITED KINGDOM, only fees that are agreed in the service agreement would be considered eligible. The selection of the FLC will have to be done respecting the applicable public procurement rules of the organisation. DCLG will provide guidance on the scope of FLC work and a model service agreement.

DECENTRALISED CONTROL SYSTEM — FLC FROM SHORTLIST & APPROVED BY APPROBATION BODY

In other cases, there are some variations within these 2 models, notably decentralised control system where the controller has to be confirmed from a list of nominated first level controllers established at national level.

In this case, the costs of the control are normally charged to the project however are eligible to claim in the regular certificates.

DECENTRALISED FLC FROM SHORTLIST & APPROVED BY APPROBATION BODY		
COUNTRY	**DESIGNATION PROCEDURE**	**CONTACT PERSON**

AUSTRIA	Project partners are not free to choose from a list of nominated FLCs	**Georg SCHADT**
		Federal Chancellery Austria
		Department IV/4 – Spatial Planning and Regional
		+43 71100 / 612244 / georg.schadt@bmnt.gv.at
		
		To put in CC:
		  Luise FASCHING
		  Federal Chancellery Austria
		  Department IV/4 – Spatial Planning and Regional Policy
		  Ballhausplatz 2; 1010 Vienna; Austria
		  +43 1 53115 202915 / luise.fasching@bka.gv.at

BELGIUM – FLANDERS REGION	Partner proposal – internal/external on a shortlist established by the approbation body	**David GRZEGORZEWSKI** Afdeling Europese Programma's / /Division European Programmes Dienst D3 Programma-/projectbeheer Interreg/ Unit 3 Programme- and project management Interreg Head of Division Koning Albert II laan 35 bus 12 1030 Brussel +32 2 553 39 96 / david.grzegorzewski@vlaio.be **Ahmed ABDELHAKIM** ahmed.abdelhakim@vlaio.be
BULGARIA	Project partners are not free to choose from external FLCs enlisted on a shorlist	**Liza Kamenova** Ministry of Regional Development and Public Works Directorate "Territorial Cooperation Management" 19 "Stefan Karadja" str. Sofia 1202, BULGARIA +359 2 94 05 487 / LKamenova@mrrb.government.bg **Desislava GEORGIEVA** Acting Director Ministry of Regional Development and Public Works Directorate "Territorial Cooperation Management" 19 "Stefan Karadja" str. Sofia 1202, BULGARIA +359 2 94 05 488 / + 359 2 987 07 37 D.G.Georgieva@mrrb.government.bg
MALTA	Partner proposal – external on a shortlist established by the approbation body	**Robert TABONE** Department for Local Government EU & International Affairs Dar l-Ghaqda, Castle Street, Victoria, Gozo MALTA +2200 2330 / robert.tabone@gov.mt

		Mr. Vincent Vella Name of Institution: Local Government Division Responsible Unit: Monitoring and Support Address: same Position within the Unit: Assistant Director Telephone: 2200 2300 vincent.d.vella@gov.mt
NORWAY	Partner proposal – external on a shortlist established by the approbation body	Lin-Eli Skjolden Ministry of Local Government and Modernisation Department of Regional Development, Unit of Communicatio and Common Services Akersgata 59, PO.Box 8112 Dep, N-0032 Oslo, Norway Senior Executive Officer +47 22 24 7001/ +47 916 21 586 Lin-Eli.Skjolden@kmd.dep.no
PORTUGAL	Partner proposal – external only (must be members of The Order of Statutory Auditors)	**Raquel ROCHA** Cohesion and Development Agency Territorial Cooperation Unit Av. 5 de Outubro 153, 1050-053 Lisbon PORTUGAL +351 218801150 / Raquel.rocha@adcoesao.pt
SPAIN[1]	Partner proposal – internal/external (shall be registered in the ROAC)	**Pablo Rodriguez MARTI** Ministerio de Hacienda y administraciones Publicas Paseo de la Castellana 162 Planta 21. 28071 Madrid SPAIN +3491-5835190 / PRodriguezMa@sepg.hacienda.gob.es

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[1] For SPAIN, the costs resulting from the control can be reported as eligible costs depending on the case :
YES – for external or internal controllers in the case of controllers specifically hired to perform these tasks
NO – for internal controllers in the case of controllers not specifically hired to perform these tasks

Annex 2 — Summary of Budget Categories and Eligible Costs (Fact Sheet 2F)

BUDGET CATEGORY	SHORT DESCRIPTION	ELIGIBLE COSTS SUMMARY
Staff Costs	*Expenditure on staff members employed by the partner organisation, who are formally engaged to work on the project **and** normally listed in the SYNERGIE system.*	Salary payments
		Employment taxes
		Sickness benefits*
		Maternity and equivalent paternity benefits*
		Invalidity benefits
		Old-age benefits*
		Survivors' benefits
		Benefits in respect of accident at work and occupational diseases
		Death grants
		Unemployment benefits
		Pre-retirement benefits*
		Family benefits*
		Pensions
		Relocation benefits
		Bonus payments
		Lunch vouchers
		Holidays
		Overtime (provided it is in conformity with the national legislation and the employment policy of the partner organisation, and it is actually paid to the staff member)
		*Costs falling into the scope of social security branches covered by Regulation (EC) No. 883/2004 of the European Parliament and of the Council.
Office and Administration Costs	*Operating and administrative expenses of the partner organisation that support delivery of project activities (fixed rate of 3% of declared staff costs).*	Office rent
		Insurance related to the buildings where staff is located
		Insurance related to the equipment of the office (e.g. fire, theft insurance)
		Taxes related to the buildings where staff is located
		Electricity
		Heating
		Water
		Other utilities
		Office supplies (pens, paper, photocopy toner)
		General accounting in the organisation
		Archives
		Maintenance
		Cleaning
		Repairs
		Security
		IT systems

		Telephone
		Fax
		Internet
		Postal services
		Business cards
		Bank changes for opening and administrating the account(s) where separate account is required
		Charges for transnational financial transactions
		Coffee/biscuits for small project meetings
		Education/guidance books
Travel and Accommodation Costs	*Expenditure on travel and accommodation costs of staff of partner organisations that relate to delivery of the project. This category included travel costs, accommodation costs, costs of meals, visa costs, and/or daily allowances/per diems.*	Travel tickets (public transport)
		Flight ticket - economy class
		Taxi
		Travel insurance / Car insurance
		Fuel
		Car mileage
		Toll
		Parking fees
		Costs of meals
		Cost of alcohol beverages (eligibility may vary based on national or local rules)
		Accommodation
		Visa
		Daily allowance/per diem (maximum rates may vary based on EU, national or local legislation)
External expertise and services costs	*Expenditure for external expertise and services provided by a public or private body or a natural person outside of the partner organisation. This category covers costs paid on the basis of contracts or written agreements and against invoices or requests for reimbursement to external experts and service providers that are requested to carry out certain tasks or activities linked to the delivery of the project. All additional costs related from external experts (e.g.*	Studies and surveys
		Evaluations
		Strategies
		Concept notes
		Design plans
		Handbooks
		External researchers
		Trainings
		Translations
		Promotion, communication, publicity, information
		Design, edit, print, distribution of project brochures, leaflets, publications, bags, etc.
		Publishing of promotion articles, inserts in newspapers, press releases, etc.
		Organisation and implementation of events or meetings
		External speakers
		Rent of venue
		Catering
		Interpretation
		Registration fee

	travel and accommodation expense for external experts) should be recorded under this budget category. This category also includes all costs linked to the organisation of meetings.	Financial management provided by external service providers*
		Project coordination provided by external service providers*
		Legal consultancy
		Notarial services
		Technical expertise
		Financial expertise*
		Other accountancy services*
		Intellectual property rights
		Control and audit of the project
		External first level controllers
		Travel and accommodation for experts/ speakers / chair / service providers
		Advance payments to providers, if in line with national rules and agreed in the contract

* These costs should be taken along with staff costs into account for the calculation of the 40% allowed for management costs within the network budget.

Equipment expenditure	*Expenditure for small items of equipment purchased, rented or leased by a partner, necessary to achieve the objectives of the project.*	Office equipment
		Computers
		Monitors
		Printers
		Scanners
		Digital projectors
		Digital/video cameras
		IT software
		Office furniture
		Fittings
		Exhibition equipment

Annex 3 — Expenses and Reporting Checklist

STEP 01

Accessing SYNERGIE & FLC approval

Get access to the SYNERGIE platform

After the approval of your network, the URBACT Secretariat sends to the Lead Partner a **recap of all contact persons** linked to the Application form for their network.

The Lead Partner should then get back to the Project Partners to **confirm, add, or delete** the details in the spreadsheet.

Once this is done, the Lead Partner will send the table back to the **URBACT Secretariat that will grant access to SYNERGIE** to the people included in the list.

https://cte.synergie-europe.fr/

See SYNERGIE Guidance Note 0

Get your FLC approved

In a Centralised Control System, FLC are already approved by the Member States.

In a Decentralised Control System, each Lead/Project Partner shall connect to SYNERGIE and **submit a First Level Controller checklist**.

Once submitted, the FLC checklist will be reviewed and approved by the National Approbation Body concerned. The FLC will finally get access to SYNERGIE with FLC profile.

If the checklist is **rejected**, **another FLC checklist shall be submitted** — following the same process.

Partners from decentralised control system countries

See SYNERGIE Guidance Note 1

STEP 02

Entering & Certifying Expenditure

Account your expenditure

Go to https://cte.synergie-europe.fr/ to start adding expenditure.

Partners will need **the invoice or certificate** *(pay slip of salary sheet for staff costs)* next to them to fill in the required information.

They are then ready to " ✚ Add an expenditure" on SYNERGIE and add costs to be claimed.

Lead and Project Partners

See SYNERGIE Guidance Note 3

LP Validation of expenditure

Lead Partner have to **check and validate their Project Partners' expenditure** before it goes to their FLC for certification.
They appear under "**Expenditure available in validation process by LP**"

Lead Partner

See SYNERGIE Guidance Note 3

If selected expenses are in line with the Programme's requirements and your Network's budget, Lead Partners can simply validate them.

If not, Lead Partners can refuse selected expenditure so Partners have to amend and submit again for validation.

Have your expenditure certified by your FLC

Once validated by the Lead Partner of the Network, expenses will go directly to the FLC for certification.

Lead and Project Partners

See SYNERGIE Guidance Note 6

This can be done at any point of the project lifecycle but all Partners need to pay and **claim their expenditure** and **inform their FLC of uncertified one in advance**, to respect their Network's internal deadlines and national deadlines for FLC and to avoid missing a Programme's reporting deadline.

Pay special attention to centralised control systems and to countries which have FLC specificities (e.g. a two-step certification process).

STEP 03
Preparing & Submitting a Progress Package

Check and send the FLC Certificate(s)

At the end of the process, each FLC should produce a Certificate of Expenditure and send it to their partner. All partners should ensure that:

Lead and Project Partners

The **Certificate is signed** (and stamped if applicable) by the **FLC.**

If **public procurement** has been used and costs are being claimed for it, the Secretariat will check their legality and if EU rules were followed. As a Partner, you should ensure you have **important documents** like the tender procedure, selection of the service provider, contract, invoices, etc.

If the FLC answered "Yes" to question "6.11.2 **Has an 'on the spot' check been carried out**" in the FLC Checklist, the **report will have to be communicated to the Secretariat** via the Lead Partner and the Reporting package.

The Certificate is sent to the Lead Partner alongside relevant documents (On the spot check report, etc.)

Produce the Payment Claim for the Network

Only the Lead Partner shall produce a payment claim, after the production of certificates by the Lead Partner and Project Partners' FLCs.

On SYNERGIE, the Lead Partner create a new Payment Claim for the right period by clicking on ⊕ under "Payment Claim"

Only the final payment claim at the end of the project will be "Final", **the payment claim's status should stay as "Interim" if it is not the last payment claim** being submitted.

All partners' certificates are added to the Payment Claim if signed version of them have been received.

The required empty boxes are filled in and the Payment Claim **validated**.

After validating it, **a .pdf version** of the Payment Claim is **generated**, **printed, signed and scanned** (a valid electronic signature is also possible).

Lead Partner
See SYNERGIE Guidance Note 4

Fill in the Progress Report

The Progress Report is **prepared in advance** by establishing a **network level procedure** (i.e. a short questionnaire sent to all Project Partners).

The Progress Report must be **created and submitted on SYNERGIE**, using the correct template (Phase 1 template, Phase 2 template, etc.)

Once the Progress Report is complete, and after being reviewed a final time, the Lead Partner can **validate it** on SYNERGIE.

A **.pdf version is then generated, printed, last page signed** (a valid electronic signature is also possible) and **scanned**.

The **Lead Partner's FLC** will have to review the content of the report and **countersign** it.

Lead and their FLC
See SYNERGIE Guidance Note 5

Submit the Reporting Package to the Secretariat

Before submitting the entire Reporting Package to the URBACT Secretariat, the Lead Partner needs to ensure that:

All **members of Staff** listed in the certified expenses are on **SYNERGIE**. If they are not, they will need to be added.

Previous ERDF payments to Projects Partners have been completed and dates of receipt entered on SYNERGIE.

All outputs have been uploaded online (e.g. WeTransfer, Dropbox, Google Drive, etc.) and are organised by work

Lead Partner
See SYNERGIE Guidance Note 9 Guidance Note 7 & Network Management Guide (08. Reporting and Payments)

packages and by Partners (avoiding long and non-explicit titles).

☐ The **Certificates are signed by the appropriate FLC**.

☐ The **on-the-spot checks reports** — if applicable — are included in the package.

☐ The **Payment Claim** is **signed by the Lead Partner**.

☐ The **Progress Report** is co-signed by **the Lead Partner** and the LP **FLC**.

☐ The **Lead Partner's bank details** have not changed since the previous round. If they have changed, the Lead Partner updates them on SYNERGIE and sends supporting documents to the Secretariat as part of the reporting package.

STEP 04
Being Responsive & Paying Partners

☐ ## Answer any comments / questions from the URBACT Secretariat

After submitting the reporting package, the **URBACT Secretariat** will proceed with the **review of your reporting document**s and **prepare the request for payment** to be sent to the Certifying Authority (CA).

☐ **All Partners and their FLC involved should remain available during this time** — the URBACT Secretariat might ask you to provide further details or clarification on some points.

Lead Partners, Project Partners & FLCs

☐ ## Send ERDF to your Project Partners and enter receipt dates on SYNERGIE

Once the payment has been raised and the ERDF money has been received in the Lead Partner's account, they will have to **add the date of receipt on SYNERGIE** and **transfer the ERDF due to the Project Partners** as soon as possible (1 month).

☐ All Project Partners will have to **enter the date of receipt of payment on SYNERGIE** as soon as they receive their share of the ERDF money.

Lead and Project Partners

See SYNERGIE Guidance Note 7

Annex 4 — List of Documents Required for Audit

You can find below the list of documents that you will have to make available for auditors. Please note that there is the possibility to be audited **until 5 years after the closure of the project**.

Administrative documents to be placed at the disposal of the auditors

- ☐ Approved Application Form

- ☐ Approved Application Form amendments, if applicable (i.e. budget line modifications, budget modifications, activity plan amendments)

- ☐ Subsidy Contract, Joint convention and their amendments (budget and/or partners shifts…)

- ☐ Proof of delivery of services and goods: studies, brochures, newsletters, minutes of meetings, letters, participant lists, travel tickets, etc.). ALL outputs have to mention the ERDF and URBACT logos (refer to Factsheet 4C – Communication)

- ☐ Original Payment Claim. For Lead Partners: original payment claims, FLC certificates and checklist from all partners

- ☐ For Project Partners: FLC control reports

- ☐ Decentralised FLC approval documentation (checklist, approbation letter)

- ☐ Progress Reports

- ☐ Details on budget per partner, list of declared expenditure per partner (all follow-up tools, all documents used and all changes of project)

- ☐ Bank account statements proving the reception and the transfer of EU funds for Lead Partners and proof of receipt for Project Partners

- ☐ Original invoices for every claimed expenditure or other probative value documents (ex: train or flight tickets). Copies are not allowed (unless it is duly justified)

- ☐ Original Bank account statements or proof of payment for each invoice

- ☐ Staff costs: information on actual annual working hours, labour contracts, payroll documents, staff costs calculation methods (i.e. 1720 hours, real rate details…) and time records of personnel working for the project (mission letters)

- ☐ List of subcontracts and copies of all contracts with Lead Experts, Ad Hoc experts, ULG members/coordinators, external experts and/or service providers

- ☐ Documents relating to public procurement, public procurement procedure, information and publicity: public procurement notes, terms of reference, offers/quotes, order forms, contracts, call for tender, publicity, gridline for analysis, notification...

- ☐ Relevant network correspondence (financial, contractual, activities-related)

- ☐ Record of assets, physical availability of equipment purchased in the context of the project

- ☐ Proof of ULG meetings (minutes, reports, agenda, signed attendance lists, invitations)

- ☐ All project outputs

Documents of which copies must be given to the auditors

- Project Application Form (Phase 1 and Phase 2, if applicable)

- Subsidy Contract, amendments to the Subsidy Contract, and the reprogramming proposals, if applicable

- All Progress Reports and Payment Claims which had been submitted to the URBACT Secretariat

- All FLC certificates on expenditure and the controllers' on-the-spot reports to the controls on expenditure on-the-spot

- List of declared expenditure (included in the certificates)

- Bank account statements proving the reception and/or the transfer of EU funds, see above

- List of staff costs, see above

- List of subcontracts, see above

- Breakdown of transnational financial transactions

- All costs justification

For adapted procedures under Covid-19 and specific exceptional circumstances, refer to .

Annex 5 — Challenges Related to COVID-19 Outbreak

Consequences of the Coronavirus outbreak impact usual procedures, approaches and working tools of URBACT and its actors (Lead Partners, Project Partners, First Level Controllers, National control authorities, Members and Partners States, Managing Authority and URBACT Secretariat, Certifying Authority, Second Level Auditors, etc.).

Find below some aspects and procedures that are affected by the Covid-19 and that may be affected by other exceptional circumstances in the future.

NEWLY APPROVED NETWORKS ONLY*

* Action Planning Networks, UIA Transfer Mechanism Pilot Networks, SDG Pilot Network and Transfer Networks 2nd Wave

SUBSIDY CONTRACT (ADAPTED PROCEDURE TO SECTION 4.1 ABOVE)

The Subsidy Contract and the amendment to Subsidy Contract cannot be signed in original and sent by post as usual.

Exceptionally, a version of the Contract is signed electronically by the Managing Authority through a qualified electronic signature having the equivalent legal effect of a handwritten signature (in English and in French) and sent by email to the Lead Partner.

The LP should arrange for these versions of this document to be signed. Once signed by the appropriate person in the LP organisation, the LP should keep the signed versions in each language and return two copies to the URBACT Secretariat by email to:

> **For Action Planning Networks: apn@urbact.eu**

> **For UIA Transfer Mechanism Pilot Networks: uiatm@urbact.eu**

> **For Transfer Networks 2nd Wave: tn@urbact.eu**

> **For SDG Pilot Network: sdg@urbact.eu**

One copy will be sent to the Certifying Authority and the other will be kept by the URBACT Secretariat.

JOINT CONVENTION (ADAPTED PROCEDURE TO SECTION 4.2 ABOVE)

The Joint Convention may not be signed in original by all partners as usually requested.

Exceptionally, may that be considered acceptable by the LP organisation, the Lead/Project Partners' signature sheets in electronic form can be considered as authentic, using an official eSignature or any means used by the signatory to sign, as long as the signature can be clearly attributed to the individual signatory.

Once signed by all parties, a scanned copy of the whole document including all the signed pages should be sent to all partners as well as to the URBACT Secretariat by email to the one of the email addresses above.

A L L   N E T W O R K S

REPORTING AND FIRST LEVEL CONTROL CHALLENGES (ADAPTED PROCEDURES TO CHAPTERS 8, 9 AND ANNEX 4 ABOVE)

Despite all the COVID-19 obstacles, First Level Controllers (FLCs) have to perform their controls and certification work, in order to gain reasonable assurance about proper management of public money and of ERDF. Nevertheless, communication flows, practices and procedures have to be adjusted whenever possible to adapt to the new circumstances.

Exceptionally, may that be considered acceptable by the FLC and/or by the national control authorities, for every claimed expenditure copies of invoices or other probative value documents are allowed, provided these are properly filed and that adequate audit trail requirements are respected or equivalent appropriate alternatives of audit trail can be provided.

In case the verification of hard copies is required and it is not possible to be performed as usual, the verifications can be carried out on electronic copies (e.g. scans of originals) sent via email or shared virtually (through Basecamp, Dropbox, Google Drive, WeTransfer or any allowed file sharing platform).

To justify delivery of activities and outputs, these can include photo documentation (e.g. for the verification of equipment, compliance with publicity/communication rules, existence of deliverables/publications etc.) or screenshots (e.g. for the verification of the accounting system, cost centre code, etc.).

About signature of reporting documents, FLCs are allowed to use alternative ways of validating their control certificate. In case it is not possible to get a hand signed version it is possible to work with unsigned certificate submitted through SYNERGIE-CTE; the electronic submission in the system is sufficient for the URBACT Secretariat to carry out its checks. The signed versions can follow at a later stage either electronically or normally scanned once everything goes back to normal.

First Level Controllers will go through all the formal requirements to make sure that controls are properly done during the on-the-spot checks of projects at a later date when life returns back to normal.

Note: Some FLCs or national control institutions may potentially adopt national adapted procedures during exceptional periods. In this event, new set of measures, procedures and protocols are valid until further notice.