

Annex B)

Expenditure eligibility rules for Call 5.3 – An effective system of evaluation of targeted support programmes

Eligibility limitations:

Eligible expenditure (EE) must fulfil general principles of expense eligibility regarding **time**, **location and purpose**, and must be incurred in line with the principles of **economy, efficiency and effectiveness**.

Time – expenses incurred after the start of the project. For approved projects, eligible expenses in call 5.3 may include activities connected to the project preparation that occurred before the issue of Decision but after 1 October 2012. These solely involve expenses within Chapter 1 of the list below.

The implementation of projects under call 5.3 must be completed no later than by 30 September 2015. In justified cases, and only due to objectively unpredictable circumstances, the Managing Authority may extend the project schedule beyond this date to no later than 31 December 2015.

Location – The project must be executed in the territory of the Czech Republic and the benefits of the project implementation must flow above all into eligible regions. Activities co-financed from the OP RDI, priority axis 3 must have a direct link to the region to which the support applies.

Purpose – every eligible expense must be demonstrably necessary for the project implementation and have a direct link to the objectives of the call or the supported activities.

Economy – using the funds to secure determined tasks with as low expenses as possible while maintaining the corresponding quality of executed tasks. This principle is fulfilled either by a transparent procedure in choosing suppliers (pursuant to Act 137/2006 Coll., on Public Procurement, as amended, or Rules for the selection of suppliers within the OP RDI) or by opinions of sworn experts specialized in the relevant areas.

Efficiency – using funds to achieve the maximum possible extent, quality and usefulness of the executed tasks compared to the expenses (i.e. maximizing the ratio of outputs and inputs). This principle is fulfilled either by a transparent procedure in choosing suppliers (pursuant to Act 137/2006 Coll., on Public Procurement, as amended, or Rules for the selection of suppliers within the OP RDI) or by opinions of sworn experts specialized in the relevant areas.

Effectiveness – using funds in a way that guarantees the optimum fulfilment of goals while executing determined tasks. This principle is maintained if the project fulfils the acceptability criteria of the programme and leads to the fulfilment of programme indicators and achievement of objectives defined for the project implementation.

Double financing of an expense from another public resource (national or EU) is **inadmissible**.

Value added tax can be an eligible expense as long as the product or service to which it relates is eligible as well. If the product or service is just partly eligible, only the proportional part of the VAT is eligible. The VAT or its part (proportional within the meaning of the previous sentence and/or an unclaimed part – after reducing the tax deduction using a coefficient – which is not claimed using the advance payment coefficient pursuant to Act No. 235/2004 Coll., On Value Added Tax, as amended) is an eligible expense only if the beneficiary is not entitled to claim its deduction or partial deduction. The whole VAT is an eligible expense for entities that are not VAT payers. Entities that can claim partial VAT deduction using a coefficient use the advance payment coefficient in the request for payment (i.e. when determining the sum of eligible expenses). At the same time, no later than in the first stage in the subsequent year when the tax administrator determines the settlement coefficient for the previous year pursuant to the VAT Act, beneficiaries will perform a settlement of VAT claimed this way using the settlement coefficient determined by the tax administrator. The VAT or its part cannot be an eligible expense if they can be claimed in accordance with the law.

List of eligible expenses for Call 5.3 – An effective system of evaluation of targeted support programmes

Name of chapter / item	% of total eligible project expenses	Characteristics	Legend
1. Project preparation	recommended volume: up to 5% of the EE	Expert and consultant services in the preparation of projects, costs of tenders for activities related to project preparation. Contribution to cover personnel costs of the implementation team before the issue of the Decision (see the table below) for activities directly related to the project preparation.	This item includes a contribution to cover personnel costs of the implementation team of the beneficiary operating before the issue of Decision. Restrictions of expenses related to the <u>completion of the project application</u> if it is secured by an external supplier (the restriction does not apply to employees of the applicant/partner): Eligible expenses can include expenses for at most 2 man-months worth of services provided by experts and consultants related to the completion of the project application. Man-month rates must be customary for the time and location.
2. Purchase of equipment and IT			Investment and non-investment items.
2.1 Hardware and data networks	Maximum volume: up to 10% of the EE	Acquisition of servers, desktop and portable computers and communication devices.	Purchase price including assembly, transport, connection and other related

			<p>expenses (e.g. training for employees, standard service and upgrade contract, prolonged guarantee). Restriction for all items is determined from the number of FTEs working for the project.</p>
3. Intangible assets			Long-term intangible assets
3.1 Software, databases		Expenses on software, purchases of databases and information sources, if required for consolidation of the programme monitoring system at the applicant or project partner.	Purchase price including installation, training, maintenance, and updates (upgrade contracts). Special software for programme monitoring may be custom developed or customised.
3.2 Intellectual property rights		Expenses on the purchase of information, procedures (know-how, licences, patents, etc.). Know-how will be evaluated with an expert opinion provided by the relevant sworn expert. Eligible expenses will cover the acquisition price only up to the amount identified by an expert opinion.	In justified cases, the MA has a right to have their own expert opinion drafted and confront it with the expert opinion submitted by the entity responsible for the project or its part. This item primarily serves to ensure the project's access to foreign know-how.
4. Externally purchased services			
4.1 Services required by MA		Expenses on externally purchased services of auditors – members of the Czech Chamber of Auditors – or accountants (only if the requirement was specified by the support provider or by law), insurance expenses, expenses related to keeping a special project account and other fees for services required by MA.	
4.2 IT-related services		Expenses connected to the acquisition of equipment and IT devices (e.g. standard service and upgrade contract, prolonged guarantee), unless these are included in the acquisition price. Expenses for customising or developing software for the purposes of programme monitoring.	<p>Licence fees, software, maintenance fees (and fees for an already purchased licence) – all this provided the purchase is made as a service; if acquired as an investment, it shall be included in Chapter 2 or 3 of the EE.</p> <p>A pre-requisite for eligibility is the purchased software's</p>

			relevance to the purposes of consolidating the system of programme monitoring at the applicant and project partners.
4.3 Other externally purchased services		Externally purchased services except for services defined within the framework of other items of this list present, which are directly related to the project activities.	<p>Project-related consulting services of specialized experts, evaluator services etc.</p> <p>This item is only intended for securing know-how in the process of setting up the concept of the programme evaluation system and the creation of methodologies, and not for organisational arrangements of a pilot test of new methodologies.</p>
5. Contribution to cover personnel costs		A contribution to cover personnel costs related to employees of the applicant or project partners directly involved in project implementation or preparation (members of the implementation team) at the time following the issue of Decision.	<p>Salaries of the members of the implementation team must be customary for the given time and location.</p> <p>Salaries for days demonstrably worked on the project including a proportional share of the annual vacations are an eligible expense.</p> <p>The limitation of the contribution to cover personnel costs is governed by the table at the end of the text.</p> <p>For the purpose of this document, salary means: salaries, wages or remunerations based on an agreement, including obligatory payments.</p>
6. Publicity			
6.1 Compulsory publicity	up to 0.5% of the EE	Publicity expenses according to the request of the provider.	Marking property co-financed from EU funds – permanent plaques, stickers etc.
6.2 Promotion		Promotional materials and activities beyond the scope of obligatory publicity, e.g. the organisation of public discussions and professional seminars.	Promotion limited to direct relation to the project, especially connected to seminars (both promotional and expert), public professional discussions,

			publication of partial project results, leaflets or other promotional items.
7. Lease		Tenancy of premises demonstrably necessary for project implementation.	Tenancy expenses only if they are directly related to the project.
8. Travel expenses		Travel expenses incurred in connection with project activities. Participation in conferences and seminars, including participation fees. Tickets, accommodation. Internships at an on-going evaluation, shadowing of evaluators abroad when related to the evaluation of support programmes.	Expenses on travelling locally and abroad. Participation in events directly related to the main activities of the project. Travel expenses for the purpose of promoting partial project outputs are eligible expenditures.

All eligible expenses are subject to approval by the MA. Preliminary approval does not guarantee that the expense will be reimbursed.

Contribution from the OP RDI to cover the monthly personnel costs

"Supergross" wage per FTE employee/month	Contribution paid from the OP RDI
CZK 0 – 75,000	100%
CZK 75,001 – 200,000*	90%
over CZK 200,000*	80%

* "Supergross" salary exceeding CZK 250,000 is an ineligible expense – covered by the beneficiary.

"Supergross" wage per FTE employee (professional position: evaluation expert)/month	Contribution paid from the OP RDI
CZK 0 – 200,000	100%
over CZK 200,000**	80%

** "Supergross" salary exceeding CZK 250,000 is an ineligible expense – covered by the beneficiary.

For "supergross" salaries exceeding CZK 75 000, the MA will require justification of the amount. The beneficiary shall cover "supergross" salaries exceeding the limit for 100% contribution from OP RDI by self-funding.