

**Interreg**

Italy – Croatia



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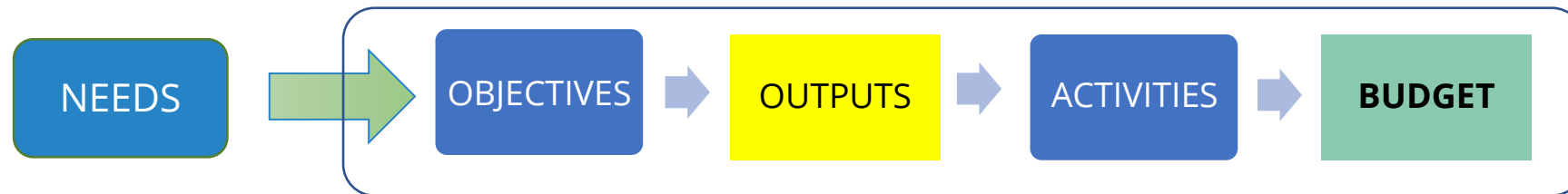
Mediterranean  
Multi-Programme  
Mechanism

# 4<sup>th</sup> Call for Proposals

## Financial Aspects

Online Infoday | 16.06.2026

## FROM ACTIVITIES TO BUDGET

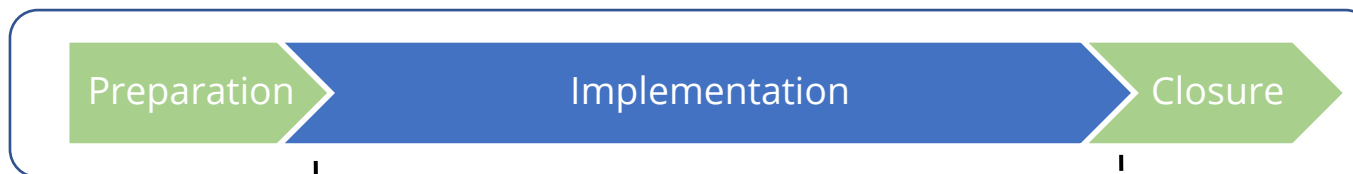


- **Activity-based budgeting** focuses on the costs of activities required to implement the project and achieve objectives;
- Costs **must** be necessary to **support** the planned **activities** regardless of the budgeting option (real costs vs. simplified cost option(s));
- **Sufficient** and **reasonable resources** are planned to ensure the project implementation considering the cross-border aspect.



## TIME-WISE ELIGIBILITY OF EXPENDITURES

# PROJECT



Starting and ending date of the project  
as defined in the Subsidy Contract

Lump sum for	Type of Project	Amount (€) (ERDF+co-financing)		Lump sum for	Type of Project	Amount (€) (ERDF+co-financing)	
PREPARATION COSTS	Capitalisation	18.200,00€	per PROJECT	CLOSURE COSTS	Capitalisation	3.000,00€	per PARTNER



## BUDGETING OPTIONS at Partner budget level

Cost categories	Option n.1	Option n.2	Option n.3
Staff costs	REAL costs (Part time with fixed percentage method or Full-time)	20% Flat on other direct costs	REAL costs (Part time with fixed percentage method or Full-time)
Office and administrative costs	40% Flat on Staff costs	15% Flat on Staff costs	15% Flat on Staff costs
Travel and accommodation costs		15% Flat on Staff costs	15% Flat on Staff costs
External expertise and services costs		REAL costs	REAL costs
Equipment costs		REAL costs	REAL costs
Infrastructure and works*		REAL costs	REAL costs

\* This cost category is not available for Capitalisation projects.



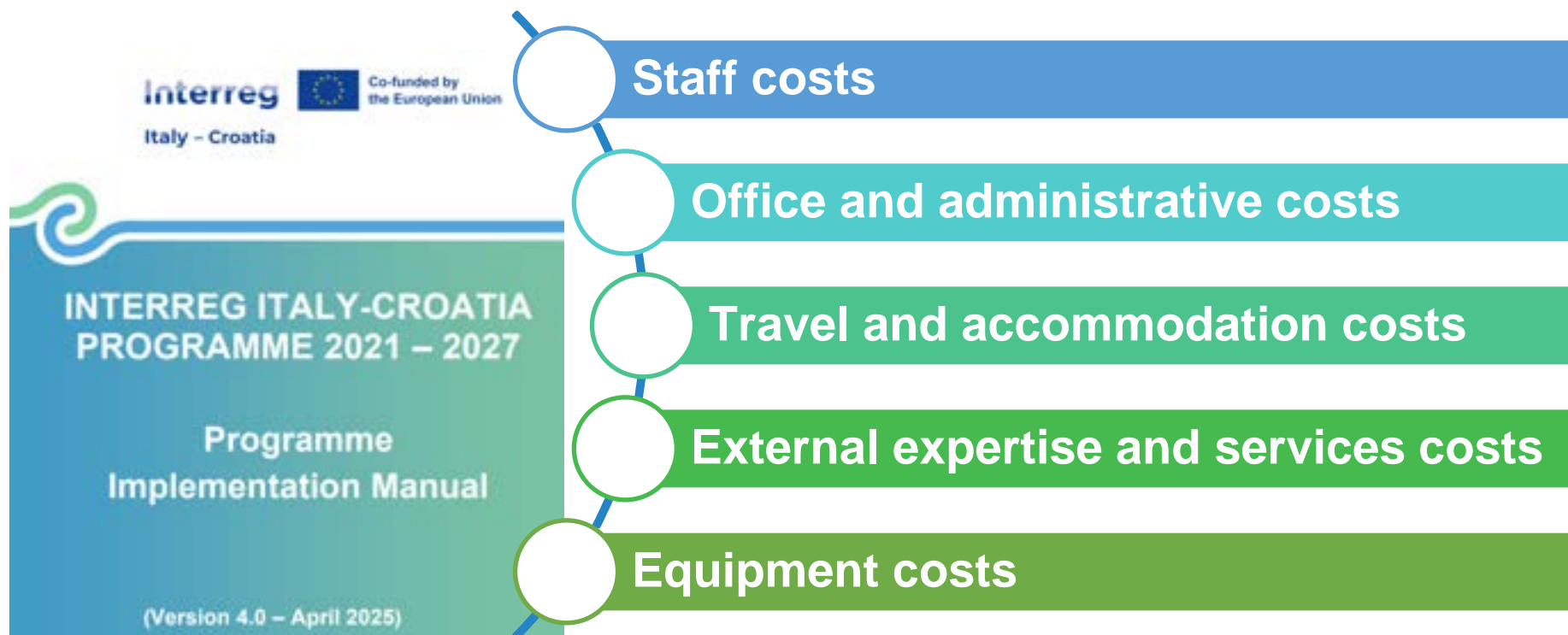
## EXAMPLE of Partner budget

COST CATEGORIES	Option n.1	Option n.2	Option n.3
Staff costs	72.000,00 €	16.000,00 € (20% Flat on direct costs)	46.000,00 €
Office and administrative costs	28.800,00 € (FLAT rate 40%)	2.400,00 € (15% Flat on Staff)	6.900,00 € (15% Flat on Staff)
Travel and accommodation costs		2.400,00 € (15% Flat on Staff)	6.900,00 € (15% Flat on Staff)
External expertise and services costs		60.000,00 €	23.000,00 €
Equipment costs		20.000,00 €	18.000,00 €
<b>TOTAL BUDGET</b>	<b>100.800,00 €</b>	<b>100.800,00 €</b>	<b>100.800,00 €</b>

!/ POINT OF ATTENTION: Preparation & closure costs to be added.



## AVAILABLE COST CATEGORIES in the 4th Call





## Staff costs

STAFF COSTS = Salary payments + any other costs directly linked to salary payments incurred and paid by the employer, such as employment taxes and social security including pensions.

REAL

- Full time in the project (100%)
- Part time with fixed % of time worked per month

FLAT 20%

- Flat of direct costs other than direct staff costs:  
External expertise + Equipment
- No need to document that the expenditure has been incurred and paid out

/!\ POINT OF ATTENTION: Each beneficiary must choose one of the above reimbursement options (REAL or FLAT) in the project preparation phase. **It is not possible to change the chosen option during project implementation.**



## Office & administrative costs

- (a) office rent;
- (b) insurance and taxes related to the buildings where the staff is located and to the equipment of the office (such as fire or theft insurance);
- (c) utilities (such as electricity, heating, water);
- (d) office supplies;

FLAT 15%

- Flat rate on eligible direct staff costs

Part of  
FLAT 40%

- Flat rate on eligible direct staff costs

## Travel and accommodation costs

- (a) travel costs (such as tickets, travel and car insurance, fuel, car mileage, toll, and parking fees);
- (b) the cost of meals;
- (c) accommodation costs;
- (d) visa costs; and
- (e) daily allowances (per diems).

FLAT 15%

- Flat rate on eligible direct staff costs

Part of  
FLAT 40%

- Flat rate on eligible direct staff costs





## External expertise and services costs

## Equipment costs

- (a) studies or surveys (such as evaluations, strategies, concept notes, design plans, handbooks);
- (b) training;
- ...
- (e) promotion, communication, publicity, promotional items and activities or information linked to an operation or to a Programme as such;
- ...
- (m) travel and accommodation for external experts, speakers, chairpersons of meetings and service providers, associated partners;
- ...

- (a) office equipment;
- (b) IT hardware and software;
- (c) furniture and fittings;
- (d) laboratory equipment;
- (e) machines and instruments,
- (f) tools or devices;
- (g) vehicles; and
- (h) other specific equipment needed for the project.

**Example in Jems**  
(Indicative figures)

External expertise and services

Description	Investment	Unit type	No. of units	Price per unit	Total	Period 1	Period 2	Period 3	Period 4
PROMOTION AND COMMUNICATION	N/A	package price	1,00	5.000,00	5.000,00	0,00	1.000,00	2.000,00	2.000,00
ASSOCIATED PARTNER (AR)	N/A	package price	1,00	15.000,00	15.000,00	3.000,00	3.000,00	3.000,00	3.000,00
FINANCIAL AUDIT (Verifica)	N/A	package price	1,00	2.060,00	2.060,00	400,00	400,00	400,00	400,00
SCIENTIFIC PUBLICATION (I)	N/A	package price	1,00	3.000,00	3.000,00	0,00	0,00	0,00	0,00

## BUDGETING Rules & Tips (1)

- The total financial dimension of the project proposal is in line with the Call Announcement: min. 500.000 € to max. 1.000.000€ ERDF
- Minimum partner budget: min. amount of 80.000 € ERDF per partner is compulsory.
- Each partner must choose one of the financing options (combination of real costs and simplified cost options) in the project preparation phase.
- Selected options may be different among partners within the same project.
- It is not possible to change the chosen option during project implementation.
- Travel and accommodation costs may not be planned as „real cost“.
- Office and administrative costs may not be planned as „real cost“.

## BUDGETING Rules & Tips (2)

- **Assimilated PPs:** Budget developed with the same principles and constraints of LPs/PPs.
- **Associated PPs: NO Budget;** Their travel and accommodation costs must be budgeted under External expertise cost category of the related LP/PP budget.
- **VAT** is eligible (<5M€; except for State Aid relevant partners under GBER schemes, if recoverable).
- Budget should be **carefully designed:** not mirrored or artificially divided among partners.
- Partner budget should be coherent with the **partner role** in the project proposal.
- Project budget should be **in line with the dynamics of project activities and expected payments** and its internal coherence should be visible when divided across the **spending periods**.

## BUDGETING Rules & Tips (3)

- Budget should **reflect market prices** and contain sufficient details.
- **Staff costs** are limited to full time engagement or fixed % when planned as real costs.
- **External expertise and services** must be clearly and strictly linked to the project activities and be essential for the effective project implementation.
- **Equipment costs** must include a clear description of items and demonstrate their market value.
- When **budgeting**, it is strongly recommended not to use decimals or to round up to ,00 or ,50.



## EXAMPLE for Equipment as Investment

- **Investments (if any)** should be elaborated in the cross-border cooperation context and carefully justified in terms of need; Investments in infrastructure are not admissible. **Only equipment items from the list defined in the PIM (Chapter 5.6.5) could be admissible as investment provided that these represent core components and are essential for the output to be capitalised.**



*Joint testing exercises for tourism boards with elderly tourists could for example require as equipment an innovative device for supporting old persons with limited mobility to be tested during the project.*

## Financial capacity of private applicants

- **Private LP:** Eligibility criteria (Knock-out criteria: **project proposal** is approved OR **rejected**).
- **Private PP:** Only for those project proposals which are recommended for financing; in case the project partner is found ineligible, the LP will be required during CC to **remove the ineligible partner from the project OR to replace it with an eligible partner.**

**USE the TOOL** at disposal of applicants



Provide Bank reference letter (Degree of trust)

Beneficiary\_Financial\_Capacity\_4th\_CfP.xlsx

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**Explanatory document concerning the assessment of the financial capacity of Private Applicant (PA) (Lead Applicant/private partner)**

**Introduction**

This tool illustrates the type of verification that will be performed by the JS on PA:  
 - for private Lead applicant during the eligibility assessment;  
 - for private partner only for those project proposals recommended for funding.

This tool is also meant to assist PA to self-assess their financial capacity for implementing projects within the Italy-Croatia Programme 2021-2027, which is based on financial accountability generally applied principles. Using this tool is optional and it is intended for information purposes only. The use of this tool is under the sole responsibility of the PA and the Programme cannot be held responsible for possible non-functioning or misuses. If the terms and expressions are not familiar, please consult with your accountant. If any of the indicators are not relevant for your organization, please disregard.

PA should demonstrate their financial capacity through the data included in the application form submitted via JEMS (ERDF budget) and following accounting documents:

Balance sheets and Profit and loss accounts of the last two financial years previous to the submission of the project proposal and make them available to the Programme (approved and submitted to the competent authorities).