

## **1. Where can I find information if my institution may act as a project provider?**

A detailed information on who may be a beneficiary (project provider) within every SOP HRD Measure and Measures of Priority 2 of IROP can be found in the description of Measures in the Programme Complements.

They also include characterized types of projects which can be implemented and groups of recipients to whom the projects should be addressed. A simplified information on this subject can be also found in enclosure 2 to the document “European Social Fund in Poland – Guide for Beneficiaries”.

## **2. To whom the detailed questions on preparations should be addressed?**

Such questions are answered by information desks in implementing institutions. A list contacts for those institutions is provided at [www.ESF.gov.pl](http://www.ESF.gov.pl) and in enclosure 11 to the document “European Social Fund in Poland – Guide for Beneficiaries”

## **3. Ought all partners be authorised beneficiaries if a project is implemented by a partnership?**

In the case of partnership, the project provider/ beneficiary is the leader and must be an authorized beneficiary. It means that the leader has to be listed as authorized to apply for funds within a given Measure and scheme in the Programme Complement. Other partners do not have to meet this requirement, but they have to be substantively linked to the subject of the project. A co-operation agreement has to be concluded by the partners. Such agreement should include:

- purpose of the partnership,
- duties of the leading partner (project leader – beneficiary),
- partners’ tasks and duties related to the project implementation,
- financial plan with a breakdown into partners and principles of financial management,
- principles of communication and transfer of information within the partnership,
- principles of taking decisions within the partnership,
- manner of project monitoring and control.

## **4. What are the eligible expenditures?**

Eligible expenditures is a notion referring to all expenditures incurred for the project. The information which expenditures are eligible during the implementation of a project can be found in the Programme Complement in the enclosure 4. Information on eligibility can also be found in the document [“European Social Fund – Guide for Beneficiaries”](#)

### **However, the following expenditures may not be considered eligible:**

- loans and payments of instalments and interests;
- costs incurred for the preparation of the projects;
- purchase of buildings;
- costs of contracted works calculated as a percentage of total costs;
- costs of purchase of land and real estates;
- investments in machines and devices the value of which exceeds 10% of total costs of the project;

- costs of construction works, except adaptation of premises for the needs of the disabled persons;
- expenditures for the purchase of used machines and devices if their value may not be redeemed according to national regulations;
- depreciation deductions referring to the assets purchased from Community funds or national public funds;
- fines, penalty fees and court fees.

#### **5. Can anything be bought for the purposes of a project financed by ESF?**

Yes, it is possible to purchase minor equipment necessary for the project implementation. The value of individual equipment units may not exceed 5 thousand Polish zloty or 3.5 thousand PLN in the case of Measure 2.3. Expenditures for equipment purchase are reimbursed when the value of an individual equipment unit does not exceed 3.5 thousand PLN.

If the costs of equipment purchase exceed this amount, the purchase should be financed from own funds, and is an eligible expenditure the cost of equipment depreciation during the project implementation. Total expenditures for the equipment may not exceed 10% of the total costs of the project (it does not apply to projects the subject of which is the purchase of equipment). Financing of a connection to IT networks is also acceptable. However, financing of IT networks as such or equipment for wireless connection is not possible.

#### **6. Can repair and adaptation of premises for the needs of the disabled persons be financed from ESF?**

Yes, costs of premises adaptation are acceptable, however, only when it is required for the participation of the disabled in the project. The value of such expenditures may not exceed 10% of the total costs of the project.

#### **7. Can depreciation costs be eligible expenditures?**

Depreciation costs should refer only to the period of project co-financing from ESF. The depreciation costs, calculated according to the national regulations, are an eligible expenditure. Depreciation costs, which refer to equipment or building purchased from the support previously obtained for the Community funds or national public funds, may not be included in the project costs.

#### **8. What is the minimum value of a project implemented from ESF?**

**15 thousand euro** in projects implemented under **SOP HRD**. The only exception is Measure 1.4 “Vocational and social integration of the disabled persons” where the minimum value of the project amounts to **25 thousand euro**. However, the minimum value of projects implemented under **IROP** amounts to **5 thousand euro**.

#### **9. What happens to the project returned to the project provider for completion?**

Such an application receives the status of an “Application under completion”. Once the necessary corrections or completions are done, within the deadline specified by the final beneficiary, the procedure is continued. If the beneficiary does not submit the corrected application within the specified deadline, its further processing within the system is stopped and

the application receives the status of a rejected application. The beneficiary gets information about the fact, including reasons for the rejection.

#### **10. What formal aspects are decisive for project rejection or for returning a project to completion?**

An application is rejected when:

- it is not a reply to a call for proposals within which it has been submitted;
- it has been submitted to a wrong implementing institution;
- it has been submitted by unauthorized beneficiary;
- it refers to an unauthorized group of ultimate beneficiaries;
- it is not compliant with the objectives of SOP HRD;
- it is inconsistent with horizontal objectives of ESF - local development, equal opportunities for women and men, development of an information society, and principles of a balanced development;
- it is inconsistent with the types of projects specified in Complement to SOP HRD and in the announcement of a call for proposals.

The application is immediately returned to the project provider for correction or completion, if all required documents are not enclosed or if it contains obvious mistakes or formal defaults (e.g. it is not signed by the authorized person).

#### **11. Should the work of voluntaries be included in the project?**

Voluntaries' work may be included in the project budget as own contribution, however:

- a voluntary may not be the ultimate beneficiary - the person to whom the project is addressed;
- a voluntary must be aware that he/she is participating in the project for free;
- a post of a voluntary in the project should be defined;
- a voluntary should keep a work time card, where he/she records the number of working hours including a detailed description of performed tasks;
- tasks performed additionally by regular employees are not a voluntary work,
- tasks performed and showed by a voluntary must be consistent with the title of his/her work;
- if a voluntary performs the same tasks as regular workers, the calculation of the costs of his/ her work must be based same as for other staff. If not, the calculation must result from market rates and it should be based on reasonable thinking.

#### **12. How should the actually incurred cost of the equipment depreciation be calculated?**

Pursuant to the Act on accountancy of 29 September 1994 (Journal of Laws No. 121 item 591), a beneficiary may apply different methods of depreciation in order to distribute the value of a fixed asset over the whole period of its use. An entity should apply the method of depreciation adopted by the entity in its accounting.

It should be remembered that according to eligibility principles for projects within SOP HRD, a fixed asset depreciation costs may be considered eligible only if they refer to equipment necessary for the project implementation and which meets the following requirements:

- a national or Community donation was not used for the purpose of the purchase of the fixed asset;

- depreciation cost is calculated according to appropriate principles of accounting;
- costs refer only to the period of the implementation of a given project.

**13. Do costs of a travel of a project participant refer only to minimum costs (e.g. the cheapest means of transportation)?**

All expenditures incurred within SOP HRD projects should be incurred to a reasonable amount. It also refers to the cost of transport of ultimate beneficiaries, therefore expenditures connected with public means of transportation (2nd class railway tickets, PKS coach and urban transportation tickets) are the eligible ones. In the case of the purchase of long-term tickets (e.g. weekly, monthly tickets), the period of ticket validity should correspond to the period of the granted support, e.g. in the case of a participation of an ultimate beneficiary in a one-week training, the purchase of a weekly ticket is an eligible expenditure, and if the training takes one month – a monthly ticket. In the case of periodic tickets, it is possible to calculate the appropriate value of the reimbursement of transportation costs, if the form of support in which the ultimate beneficiary participates is shorter than the validity period of the ticket.

Expenditures incurred by an ultimate beneficiary in relation to a trip by private car are eligible to the amount of the price of a public transportation ticket on the given route after the submission of an appropriate declaration by the beneficiary (the declaration should indicate the car registration number), however, this refers only to persons who actually incurred expenditures related to the trip (e.g. purchase of fuel for the car).

It should be remembered, however, that the final beneficiary can organize a group transport for the project participants, if the ultimate beneficiaries cannot use the above mentioned means of transportation.

**14. What expenditures are considered eligible – within a donation for starting a business?**

An unemployed person may obtain a single donation for starting a business. Reimbursement also includes costs of legal assistance, consulting and counselling referring to starting of a business. Detailed issues referring to the eligibility of expenditures are provided by the Regulation on conditions and manner of reimbursement from the Labour Fund of costs of equipment of a work place for a delegated unemployed person, of granting funds to an unemployed persons for starting a business, of reimbursement of costs of legal assistance, consulting and counselling, and the amount of acceptable support, signed on 31 August 2004 and sent to be published. The Regulation will come into force on the date of its publication.

**15. What accounting evidence does a person taking care of dependant persons need to prove his/ her work?**

A person taking care of dependant persons performs his/ her duties according to an employment contract or a contract of mandate. On the basis of a given contract, a bill, an invoice or another accounting document of the equal evidencing value is issued, which is a sufficient evidence of the incurred costs.

**16. Is legal counselling an eligible expenditure?**

Costs of legal counselling are eligible if they are directly connected with Measures mentioned in the Programme Complement to SOP HRD, within which the project is implemented, and if it is necessary for the implementation of the project, i.e. the project would not be implemented without that counselling.

**17. Do eligible expenditures include fees for the service of office equipment purchased within the project?**

Expenditures referring to hardware service are not eligible. The budget of the application for the financing of the project implementation should list expenditures connected with the purchase of above mentioned equipment, not including possible repair costs.

**18. Is remuneration calculated net or gross within the staff costs?**

The application for the financing of the project implementation should include gross expenditures for remuneration.

**19. What is the basis for calculating the value of rooms (premises), if they are a private contribution of the beneficiary?**

The value of a contribution in the form of premises, which is a private contribution to the project, should be calculated according to actually incurred costs of keeping the premises.

Expenditures incurred for fees connected with the keeping/use of own/leased premises (rent, electricity, gas, lease cost, etc.), where the institution implements also other measures and projects, should be settled within the project in the part which, proportionally to the scale of activity, refers to the implementation of the given project. If given premises are used also for other purposes (not related to the project), a part of the expenditure adequate for the project should be calculated. The manner of calculation should be kept together with the whole documentation referring to the project expenditures.

*Example: A NGO is organizing – in the building, which belongs to it – a 3-day training for a specific group of ultimate beneficiaries. The NGO may consider expenditures incurred in relation to the building use as eligible expenditures. Assuming that monthly charges of the electricity for the whole building amount to 280 PLN, building heating amounts to another 280 PLN (during the heating period), the surface of the building is 100 m<sup>2</sup>, the surface of the room where the training is provided is 25 m<sup>2</sup>, the following manner of calculating eligible expenditures connected with the building use for the project:*

*Average one-day cost of the electricity is: 280 PLN / 28 working days = 10 PLN*

*Average one-day cost of heating is: 280 PLN / 30 days in a months = ca. 9,30 PLN*

*The relation between the room surface to the total building surface is: 25 m<sup>2</sup> / 100 m<sup>2</sup> = 0,25 (25%)*

*The value of the eligible expenditure: (3 days \* 10 PLN + 3 days \* 9,30 PLN) \* 0,25 = ca. 14,48 PLN*

**20. In the case of delegating staff performing tasks within the project – what does it mean that incurred expenditures must be “reasonable”, is there any maximum value of those expenditures?**

In the case of persons employed within the project performing the same tasks as the regular staff, the calculation of their remuneration must be based on rates binding in that institution, if not – it must result from the market rates. There is no specified maximum value of expenditures for staff remuneration.

**21. Are transport and accommodation costs eligible for ESF financing in the case of a project implemented abroad (total cost of training in a training centre located, for example, in Berlin, would be bigger than the cost of conducting the same training in, for example, lubuskie voivodship)?**

Expenditures connected with the implementation of a part of the project (e.g. conducting training) abroad are eligible, when the project refers to ultimate beneficiaries from the region for which a support was granted, e.g. a training in Berlin would be conducted for the needs of ultimate beneficiaries of a project of PLO in Szczecin. It should be also noted that expenditures must meet the requirement of effective financial management, therefore expenditures for the implementation of the project abroad may not exceed expenditures incurred for the implementation of a project of the same type in Poland.

**22. Does eligibility include expenditures within a given project which have not been listed in the financial table in the application, but which belong to the category of eligible expenditures listed in the Complement to SOP HRD?**

The condition necessary for the eligibility of expenditures within the project is to include them in the project budget in the accepted application for the financing of the project implementation. Otherwise, they may not be considered eligible.

**23. Do eligible expenditures include only the purchase of equipment in Poland, or can it be also purchased abroad?**

For the needs of projects implemented within SOP HRD, the equipment may be purchased both in Poland and abroad. It should be noted, however, that purchase of used equipment is an eligible expenditure only if the following conditions are met:

- the seller of the equipment must issued a declaration specifying its origin (including date and place of purchase, data of the seller – name and address);
- in the declaration, the seller of the equipment acknowledges that the used equipment was not purchased from national of Community support within the last seven years;
- the price of the purchased used equipment may not exceed its market value and it should be lower than the price of a similar new equipment;
- the equipment must have technical properties necessary form the project implementation and it should be compliant with appropriate standards.

**24. The guide for beneficiaries says: "Financing of a connection to IT networks is acceptable. However, financing of networks as such or servers of large calculating capacity is not possible." What is an information network then? And what is "network as such"? What expenditures are eligible then?**

The above text should be construed as follows: expenditures connected with the maintenance of internal information networks, i.e. intranet, are not eligible, while connections to the above mentioned networks are eligible.

**25. In what cases will the VAT be an eligible expenditure, and in what not?**

Pursuant to rule 7 of the Commission Regulation (EC) No. 448/2004 of 10 March 2004 amending the Commission Regulation No. 1685/2000 on detailed principles of the implementation of the Council Regulation No. 1260/1999 on acceptance of expenditures for activities co-financed from structural funds, VAT is eligible if beneficiary is not entitled to deduct the calculated VAT from a given purchase. Therefore, in the case of a beneficiary who is a VAT taxpayer, that tax is not eligible, unless the beneficiary declares that he/she has no possibility to deduct VAT for a given service/purchase conducted within the project, and in the case of a beneficiary who is not a payer of that tax, VAT will be an eligible expenditure.

**26. Is subsidized employment an eligible expenditure in the case of projects implemented within Measure 1.6?**

Within Measure 1.6 SOP HRD, Integration and reintegration of women, special and innovative programmes, and local initiatives may be implemented for the purpose of, *inter alia*, creation of new jobs for unemployed women. In this case, expenditures connected with the reimbursement of a part of the remuneration for the employer and of insurance premiums are eligible.

In the invoice, the contractor gives a total amount for the implemented service/part of service (...). Moreover, the contractor is obliged to enclose (in a separate document) a list of expenditures constituting the amount of the invoice.” – according to this, only the incurred costs may be reimbursed to a subcontractor within eligible expenditures. Is there a possibility of including in the invoice a reasonable profit of the subcontractor?

If a beneficiary orders a contractor/subcontractor to implement a service, he/she pays for the rendered service according to the invoice providing a total amount for the implemented service, e.g. conducting a training. Together with the invoice, the contractor/subcontractor provides a list of expenditures which includes detailed categories of expenditures covered with the invoice, but does not provide detailed amounts for those categories (e.g. for accommodation, transport, training materials). Therefore, the profit will not be showed by the contractor/subcontractor both in the invoice and in the list of expenditures which add up to the invoice amount.

**27. Can cost related to subcontracting in the area of marketing and recruitment activities be considered eligible?**

A project implemented within SOP HRD may include expenditures connected with contracting marketing and recruitment activities, both performed by the beneficiary and external contractors. It should be remembered, however, that in the case of projects co-financed from the Labour Fund, expenditures must be compliant with article 108 of the Act of 20 April 2004 on promotion of employment and labour market institutions.

**28. Is it possible to treat a night stay with a full board as a cost of accommodation (considered an eligible expenditure) in the case of projects where trainings for project participants are anticipated?**

Expenditures connected with the accommodation, showed in the budget, should refer only to expenditures connected with accommodation. When full board is also anticipated for the project providers, such expenditures should be showed in the category “accommodation with board” if the service is provided as a combined one, or such expenditures should be showed separately in two categories: “accommodation” and “board”. It does not refer to the situation when the price of a night stay includes breakfast.