Interreg

Co-funded by the European Union

Latvia – Lithuania

Eligibility of costs

Information webinar on project implementation

11 June 2026

Eligibility of costs

- Only costs incurred by PP
- Expenditure must have been paid out "gone out of the PP bank account"
- Costs are directly related to the project and planned/specified in the AF
- Costs must be paid out within the project duration

Eligibility of costs

- PPs are not allowed to subcontract each other, themselves and own or LP/PPs' employees
- Zero tolerance towards the existence of a conflict of interest
- No double financing

Eligibility of costs

- Cost sharing is not allowed

  The Programme defines cost sharing as a proportional allocation of certain project expenditures incurred by one PP and allocated to other PPs

- In-kind costs are not eligible
- Value added tax **is eligible**

Eligibility of costs

- **Advance** payments to the external service providers are eligible if:
  - LP/PPs pay up to 30% of total contract amount as advance payment, proof of partial or full delivery of goods or services is not required,

Eligibility of costs

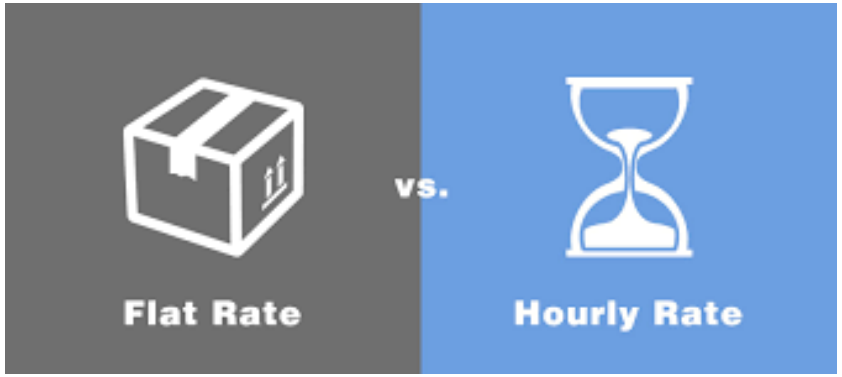
- **Advance payments** to the external service providers are eligible if:
  - service or goods contract foresees a more than 30% advance payment LP/PPs shall report full costs (both advance payment and remaining payment) of goods/services in the reporting period when delivery takes place and LP/PPs have to provide the proof of full delivery of goods or services

CC1 Staff costs

Interreg Latvia – Lithuania
Co-funded by the European Union

Only two options are possible:

- SCO **flat rate** method: **15%** of real costs
- SCO **standard scale of unit cost** method: **17 EUR hourly rate**



CC1 Staff costs

Interreg Latvia – Lithuania
Co-funded by the European Union

- Each PP can choose **only one** appropriate reporting method
- **LP/PP cannot change the Staff costs method during the project implementation**
- Both methods do not require to provide documents to Programme bodies that expenditure has been paid out.

CC1 Staff costs/ Flat rate

Interreg Latvia – Lithuania
Co-funded by the European Union

- SCO **flat rate** method: **15%** of total eligible LP/PP's real costs (CC4, CC5 and CC6)*.
- **If LP/PP selected the flat rate method, external project management costs (CC4)** (project manager, coordinator, assistant, financial managers, procurement and public relation specialists, etc.) **are ineligible.**
- The calculation is done automatically.
- Once in project lifetime proof of employment of at least one person related to project implementation should be provided

**Flat rate method is mandatory for projects with total eligible project budget below 200 000 EUR!*

CC1 Staff costs/ standard scale of unit cost

Calculated by multiplying standard unit cost (**17 EUR/h**) with number of units (hours)

- The hourly rate is standard for all employees regardless of their position.
- This rate is not affected by real rate of remuneration used within LP/PP institutions (it can be higher or lower).
- The rate already includes all taxes.

CC1 Staff costs/ standard scale of unit cost

Interreg Latvia – Lithuania
Co-funded by the European Union

Main documents must be available for control purposes:

- Employment confirmation / work agreement stating workload
  - job descriptions: content of the tasks and relation to the project, if not described in the work contracts;

  Working agreements with flexible number of working hours are not recomended

- Programme timesheet.

CC1 Staff costs/ standard scale of unit cost

Interreg Latvia – Lithuania
Co-funded by the European Union

For all employees reporting standard scale of unit cost method Timesheet is mandatory

https://latlit.eu/how-to-implement/reporting

New timesheet form is coming…

CC1 Staff costs/ standard scale of unit cost

Interreg Latvia – Lithuania
Co-funded by the European Union

LP/PP can report only productive project related working hours. **Non-productive hours related to holidays, sick leave, maternity leave, etc., are not eligible**

- **LP/PP cannot declare more than 1 720 hours** per full time employee per year, **for a six-month period maximum limit is 860 hours.**
- PPs shall reduce this **maximum number of hours** to a **pro-rata of 1 720 hours for employees working part-time.**

CC1 /standard scale of unit cost Timesheet

Interreg Latvia – Lithuania
Co-funded by the European Union

- **An employee working 40 hours per typical week in PP institution is considered to have a full workload**

- **If an employee works less than 40 hours per week at the PP institution (including both stationary duties and project-related tasks), this is considered part-time work.**
  - **Example: employee working 20 hours per week**

    workload= 20 ÷ 40 = 0,5

CC1 Staff costs/ standard scale of unit cost

Interreg Latvia – Lithuania
Co-funded by the European Union

Amount of eligible reported project hours almost always will be less then worked in the institution.

In 2026, full-time employees in LV would have to work **1994** hours per year,

but only 1720 hours could be reported for project.

- **Pro-rata of 1720 hours**

PPs shall reduce this maximum number of hours to a pro-rata of 1 720 hours for employees working part-time.

- For part-time workers : **½ workload** employee should work 997h hours or 83 hours per month in the PP institution,
- but (1720/12*0,5)=**only 71,66 h/month could be reported for the project**.

- **Non-productive hours related to holidays, sick leave, maternity leave, etc., are not eligible**.

CC1 Staff costs/ standard scale of unit cost

Interreg Co-funded by the European Union
Latvia – Lithuania

ID		Unit costs and Lump sums	Cost category	ate of payment	Description	Comment	Total invoice value	Number of Units	Price per unit	VAT	Declared amount	Currency	Con
R3.1	☑	Preparation costs lump s	Multiple		2024-05-29 Invoice Nr. IM2404		0,00	1,00	5.000,00	0,00	5.000,00	EUR	
R3.2	☑	Staff costs unit rate	Staff costs		2024 may staff costs		0,00	64,00	17,00	0,00	1.088,00	EUR	
R3.3	☑	N/A	External expertise ...	024-07-30	Psychological trainings 2024-06-27/20		2.600,00	0,00	0,00	0,00	2.600,00	EUR	
R3.4	☑	Staff costs unit rate	Staff costs		2024 june staff costs		0,00	48,00	17,00	0,00	816,00	EUR	
R3.5	☑	Staff costs unit rate	Staff costs		2024 july staff costs		0,00	70,00	17,00	0,00	1.190,00	EUR	
R3.6	☑	N/A	External expertise ...	024-07-30	Hall rental and catering services for p:	See attachments in R3.3.	577,90	0,00	0,00	100,30	577,90	EUR	

PM, CC1 specific rules:
Staff costs must be calculated individually for each staff member

CC1 Staff costs/ standard scale of unit cost

Interreg Latvia – Lithuania
Co-funded by the European Union

Detailed information about implemented duties could be not provided if below-stated limits are not overreached for following staff positions:

- LP project management duties – 430 hours per reporting period.
- PP project management duties per PP – 284 hours per reporting period.
- LP/PP financial manager duties – 215 hours per reporting period.

CC2 Office and administration costs

Flat rate of **15%** of eligible staff costs

- When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) or to prove that the reported amount using the flat rate would correspond to the real costs for the office and administration.

CC2 Office and administration costs

Interreg Latvia – Lithuania
Co-funded by the European Union

Following costs are covered by the CC2 flat rate **and they cannot be reported under any other CC:**

- Office rent, utilities (e.g. electricity, heating, water).
- Office supplies, security, communication.
- Accounting.
- Maintenance, cleaning and repairs.
- IT services of general nature that support delivery of the project (maintenance of IT systems).
- Charges for transnational financial transactions.
- Costs related to the organization of internal one partner (without the participation of LP or other PPs) meetings.

CC3 Travel and accommodation

Interreg Latvia – Lithuania
Co-funded by the European Union

Flat rate of **10%** of eligible staff costs

The flat rate covers travel and accommodation costs of **LP/PPs' own employees**.

CC3 Travel and accommodation

Interreg Latvia – Lithuania
Co-funded by the European Union

Flat rate of **10%** of eligible staff costs

When using the flat rate, the LP/PP does not need to document that the expenditure has been incurred (paid out) or to prove that the reported amount using the flat rate would correspond to the real costs for the Travel and accommodation.

However, PP should stilll reflect travels and their results during reporting of respective deliverables and activities
(**at least one travel occasion should be reported in project lifetime)**

CC3 Travel and accommodation

Interreg Latvia – Lithuania
Co-funded by the European Union

Following costs are covered by CC3 flat rate **and they can't be reported under any other CC:**

- Travel costs of **LP/PPs' own employees** (such as tickets, travel and car insurance, fuel, car mileage, toll, parking fees, rent of vehicle).
- Accommodation costs and daily allowances of **LP/PPs' own employees**.
- The cost of meals (e.g., cost of meals provided during travelling)
  - (PPs must plan and report costs for catering during events under CC4).

Main supporting documents for CC4,5,6

Interreg Latvia – Lithuania
Co-funded by the European Union

Common main documents must be available for control purposes for CC4, CC5 and CC6:

- Evidence of the procurement process
- Invoice providing all relevant information in line with the applicable accountancy rules.
- Proof of payment.
- Act of delivery and receipt.
- Proof of delivery for delivered services, equipment, infrastructure (pictures including proof that publicity rules have been respected)

CC4 External expertise and services

Interreg Co-funded by the European Union
Latvia – Lithuania

Specific rules:

- The **work** by external experts and service providers must be **essential** to the project and **specified in the AF.**
- Price should be **adequate.**
- **Costs** for the support in the project implementation provided by body or a natural person outside of the partner organisation

CC4 External expertise and services

Interreg Co-funded by the European Union
Latvia – Lithuania

Specific rules:

- Costs linked to **awards and prizes** granted or given at competitions organised by the LP/PPs are **not eligible**.
- If LP/PPs use **rented** transportation for the events where project management **staff and project target group** participate, total costs for transportation are **eligible** under CC4.
- Costs are based or agreements concluded with service providers and paid based on invoices.

CC4 External expertise and services

Interreg Co-funded by the European Union
Latvia – Lithuania

Specific rules:

- Costs for **lunch** are eligible for a minimum **six hours meeting**, and LP/PPs can include costs for **dinner** for events taking place **more than one day**.
- **Costs of groceries** purchased from the shops are **not eligible under** CC4
- **All additional costs related to external experts** (e.g. travel and accommodation costs for external experts) must be foreseen in the service contract and planned under this CC.

CC4 External expertise and services

Interreg Co-funded by the European Union
Latvia – Lithuania

Following documents must be available for control purposes:

In the case of organization of meetings and events:

- meeting/event agenda with indicated breaks for the catering -memo/minutes/report of the meeting/event, if available.
- photos from significant meetings/events.
- list of participants with signatures for each day (PPs must use a standard form of a “List of participants” for reporting on physical events which is published on the Programme website www.latlit.eu.) and a verifiable list of participants for online meetings. (children under 13 years don’t have to provide signatures)
- handouts (obligatory to be provided for control purposes if the preparation of handouts is paid under CC4).

CC4 External expertise and services

Interreg Latvia – Lithuania
Co-funded by the European Union

Following documents must be available for control purposes:

- A contract or an agreement laying down the services to be provided, For experts paid based on a daily fee, PPs shall provide the daily rate, the number of days contracted, and the total amount of the contract. Any changes to the contract must comply with the public procurement rules and PPs must properly document them.

- Results of the work of external experts:
  - developed documents (e.g., presentations, studies, researches, programmes),
  - radio, TV recordings,
  - developed ICT solutions,
  - one example of publication, souvenirs, etc. should be saved for control purposed

CC5 Equipment

Interreg Latvia – Lithuania
Co-funded by the European Union

- Costs of equipment are eligible if they are planned in the approved Application Form
- Equipment should be in line with provided specifications
- Equipment ownership and the way of use cannot be changed – according to the rules in section 6.5 “Project closure and durability of project results”
- Purchase of equipment is eligible if it is used solely for the purpose of the project or the target group

CC5 Equipment

Following specific documents must be available for control purposes:

- Act of delivery and receipt.
- Pictures of purchased equipment, including proof that publicity rules have been respected (upon request).

CC6 Infrastructure and works

Interreg Latvia – Lithuania
Co-funded by the European Union

- Costs are eligible if they are planned in the approved AF
- All costs must comply with applicable EU and Programme information and publicity rules
- Delivered works should reflect amount of payments made

CC6 Infrastructure and works

Following documents must be available for control purposes:

- Acts of delivery and acceptance (acceptance act for works, acceptance act that works are accepted for service).
- Technical documentation for implemented works.

CC6 Infrastructure and works

Following documents must be available for control purposes:

- Pictures of infrastructure objects constructed/renovated with proof that publicity rules have been respected.
- Other documents that could be relevant according to national legislation.

De-commitment

Interreg Latvia – Lithuania
Co-funded by the European Union

The Programme funding is subject to the de-commitment rule.

- If PPs do not spend the Programme funding according to the defined schedule (known as the ‘N+3 rule’), the EC will de-commit the unspent funding from the Programme.
- Programme should report to EC reimbursed payments
  - 2027- 17 M EUR
  - 2028 -25 M EUR

De-commitment

If the Programme faces de-commitment, MA will reduce budgets granted to the delayed projects.

- The Subsidy Contract provides the legal basis for the de-commitment of funding from running projects.

The decision on which projects are affected by the de-commitment will be based on an assessment of the project's spending plan as fixed in the AF and the actual spending rate of the projects.

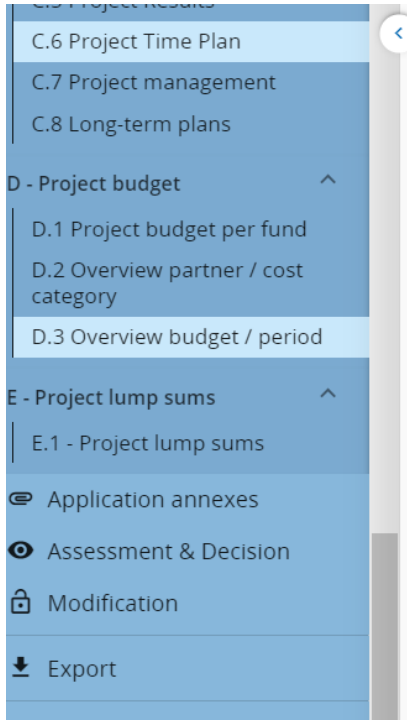
Spending rate %

De-commitment

Interreg Latvia – Lithuania

Co-funded by the European Union

Spending rate %



D.3.1 Project budget - overview per partner / per period

If the partner budget is not completely assigned to the periods per cost category, the non-assigned budget is automatically added to the last period. Rounding differences are added to the last reporting period.

Partner	Organisation abbreviation	Country	Preparation	Period 1	Period 2	Period 3	Period 4	Closure	Total eligible budget
LP1		Latvija (LV)	5.000,00	15.406,25	37.406,25	37.406,25	29.406,25	0,00	124.625,00
PP2		Latvija (LV)	0,00	33.668,58	34.856,08	35.535,93	20.929,71	0,00	124.990,30
PP3		Latvija (LV)	0,00	67.501,25	31.626,25	11.937,25	13.935,25	0,00	125.000,00
PP4		Lietuva (LT)	0,00	17.071,87	39.446,87	41.187,67	22.181,89	0,00	119.888,30
PP5		Lietuva (LT)	0,00	89.783,89	13.456,35	9.751,33	12.008,43	0,00	125.000,00
Total			**5.000,00**	**223.431,84**	**156.791,80**	**135.818,43**	**98.461,53**	**0,00**	**619.503,60**
% of Total budget			**0,81 %**	**36,07 %**	**25,31 %**	**21,92 %**	**15,89 %**	**0,00 %**	**100,00 %**

Thank you! Paldies! Ačiū!